

## CHAPTER II

### LITERATURE REVIEW

#### 2.1. THEORITICAL REVIEW

##### 2.1.1. Theory of Planned Behavior (TPB)

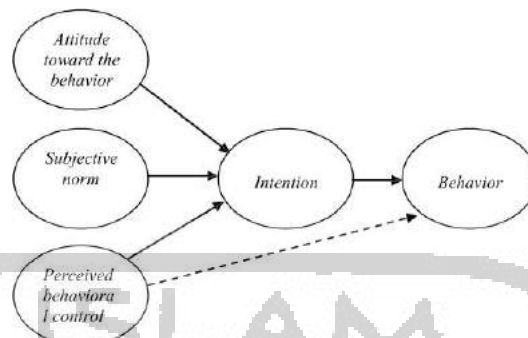
Ajzen (1991) states the intention is assumed to capture motivational factors that influence behavior. The intention itself is an indication of how hard people want to try and, how much effort they plan to carry out a behavior. As a general rule, the stronger the intention to engage in behavior, the more likely the performance is. However, it must be clear that behavioral intentions can find expression in behavior only if the behavior in question is under the control of the will.

Ajzen (2001) explained through Theory of Planned Behavior (TPB) that intention is a function of three basic determinants, namely:

1. Attitude toward the behavior
2. Subjective norm
3. Perceived behavioral control

This theory is used as a basis because there are three independent variables in this study which are factors in the Theory of Planned Behavior. In the Ajzen theory of planned behavior, *attitude toward the behavior* refers to the level at which a person has an evaluation of whether the behavior is good or not good.

Image 1: *Theory Planned Behaviour*



Source: “*The Theory of Planned Behavior*”, Ajzen (1991)

Ajzen (2005) explaining Theory of Planned Behavior is based on the assumption that humans usually behave in a way that makes sense by taking into account available information and implicitly or explicitly considering the implications of their actions. Intentions and behaviors are functions of three basic determinants i, e. One personal nature, one reflecting social influence, and the third dealing with control problems. Personal factors are the *attitudes* of individuals towards the behavior. The second determinant of intention is people's perception of social pressure to do or not perform the behavior under consideration. Because it deals with perceived normative prescriptions, this factor is called subjective norms. The third determinant of intention is a sense of *self-efficacy* or the ability to value highly oneself, which is called perception of *behavioral control*.

According to Suharti and Sirine (2011) They state the use of Theory of Planned Behavior in explaining entrepreneurial intentions, and adds to the literature through detailed findings that the perceived behavioral control

component of TPB is tested using four variables namely entrepreneurship alertness, self-efficacy, creativity and perseverance. Components of attitude toward behavior use four variables, namely autonomy, challenges, wealth accumulation, avoidance of workload. Furthermore, there is an important social norm with many dependent variables and in many samples. A student often has a family member or entrepreneurial friend, which can produce positive social norms related to entrepreneurship.

### 2.1.2. Definition of Entrepreneur

Entrepreneurship is the process of creating something new at the value using the time and effort required, taking physical risks and accompanying social risks, receiving monetary rewards generated, meeting needs, and desires through innovation. So it takes confidence to be able to create something new by utilizing all the resources that are owned (Sukmaningrum and Rahardjo, 2017). Turmudji (2006) retrieved from Adhitama (2014) explains the notion of *wirausaha* when viewed from the etymology, which comes from the word “*wira*” and “*usaha*”, word from “*wira*” means “exemplary” or representative, while “*usaha*” means “Strong-willed” retrieving benefit.

An entrepreneur can be interpreted as someone who is strong-willed in carrying out actions that are useful and deserves to be a role model of life or more simply formulated as someone who is strong-willed in business that deserves to be an example of life. If we want to be a successful entrepreneur,

must have the determination to achieve his business goals (Adhitama, 2014).

### **2.1.3. Definition of Entrepreneurial Intention**

Entrepreneurial Intention can be interpreted as the initial step of the process of establishing a business that is generally long-term in nature (Lee & Wong, 2004). According to Krueger (1993), entrepreneurial intention reflects one's commitment to starting a new business and become a central issue that needs to be considered in understanding the entrepreneurial process of establishing a new business.

Entrepreneurial intentions lately began to get attention to be investigated because it is believed that an intention related to the behavior can prove to be a reflection of the actual behavior (Suharti and Sirine, 2011). In theory of planned behavior according to Fishbein & Ajzen (1985) retrieved from Tjahjono and Ardi (2008) it is believed that factors such as attitudes, subjective norms will shape one's intentions and subsequently will directly influence behavior. Therefore an understanding of one's intentions for entrepreneurship can reflect the tendency of people to establish businesses in real terms (Jenkins and Johnson, 2003).

#### 2.1.4. Attitude

Ajzen and Fishbein (1977) state that according to the principle of compatibility, someone must be able to predict individual behavior (directed at certain targets) from the size of the attitude towards that behavior. According to Ajzen (1991) attitudes develop naturally from the beliefs that people have about the object of attitudes. In the case of this attitude of behavior, each belief relates the behavior to a particular outcome or some other attribute such as the costs incurred by performing the behavior. Because the attributes associated with behavior have been valued positively or negatively it automatically attitudes towards behavior.

Ajzen (2005) states that attitude is a disposition to respond good or bad to an object, person, institution, or event. Although the formal definition of attitude varies, most contemporary social psychologists agree that the characteristic attribute of attitude is its evaluative nature. Such as personality traits, attitude is a hypothetical construction that is inaccessible for direct observation that must be inferred from a measured response. Given the nature of the construct, this response must reflect the positive or negative evaluation of the attitude. According to Gelderen et al. (2008), it is important to be aware of the implications of the type of intention measure used to explain when using multi-item scales. Likewise, the use of multiple samples provides strong evidence for the explanatory power of several variables (especially attitudes toward autonomy, challenge, wealth accumulation, workload avoidance, and perseverance), while in the case of other variables a mixed picture emerges.

### 2.1.5. Autonomy

Collier (2002) said autonomy can be open and closed but requires a condition that explains the closure but permits openness. Autonomy is related to individuality and self-governing. The combination of the two produces independent functionality through the interaction process that has already organized. In the autonomy approach, process and interaction are the forms of fundamental basis, and organization is a direct property of this network of the processes.

According to Gelderen and Jansen (2006), so many people like autonomy for the sake of decisional freedoms. However, people also need freedom as a necessary condition for the requirement of other motives. Some people are motivated by negative freedom, in the sense that they currently experiencing a difficult boss or unpleasant rules. Some others are emphasizing the fact that self-employment or self-governing offers the opportunity to work according to one's goals, values, and attitudes. Still, others emphasize the opportunities that self-employment offers being in charge, for directing, and for leading instead of being lead. Gelderen et al. (2008) explain that autonomy also comes with self-employment with increased possibilities to decide on what, how, and when aspects of work.

### **2.1.6. Challenge**

According to Miller and Le Breton-Miller (2017), the nature of the challenges faced by different kind of groups are, respectively, economic, and educational poverty for necessity entrepreneurs, socio-cultural, and linguistic challenges for immigrant entrepreneurs, cognitive challenge for those with dyslexia and ADHD, and physical and emotional challenges in the last groups. To compound the difficulties of these populations, there is often a bias against them that makes traditional career paths, and even entrepreneurship a most challenging effort.

According to Mulyadi (2017), researching that a challenge or threat is something that must be faced by a company or organization to deal with various unfavorable environmental factors in a company or organization that causes setbacks. At least there are 5 challenges that must be faced by entrepreneurs in entrepreneurship, among others, are as follows: capital, age of business, talent, business ideas, and love the occupied business.

### **2.1.7. Wealth Accumulation**

Gale and Scholz (1994) stated the relative sizes of these sources of wealth accumulation affect a variety of issues. For example, the effects of government debt, social insurance, public transfer programs, estate taxes, and incentives for charitable giving depends to some extent on the magnitudes and nature of private saving and transfer of wealth. The analyses of the inequality of wealth may depend on whether most wealth is earned or

received as transfers. Appropriate policies for encouraging private saving may look rather different, depending on whether most saving is to be consumed later in life or passed along to the next generations.

According to Gelderen et. al (2008) researcher added the wealth accumulation variable in the context of the increasing value of the salary and benefits from the firm. When working for the organization, the amount of wealth that they are received can be accumulated relatively fixed. Meanwhile, in the entrepreneurs, the opportunities for receiving wealth are infinite.

#### **2.1.8. Workload Avoidance**

Menpan (1997) retrieved from Dhania (2010) stated definition of workload is a group or a number of activities that must be completed by an organizational unit or position holder within a certain period. Hart and Staveland (2008) retrieved from Dhania (2010) defines workload as follows “the perceived relationship between the amount of mental processing capability or resources and the amount required by the task”. From some understanding of workload, it can be concluded that a workload is a number of activities that require mental processes or abilities that must be completed within a certain period of time, both physical and psychological (Dhania, 2010).

Following advice from Gelderen et al. (2008), researcher added the workload avoidance variable into the study. Because, based on data



collected from students of the Free University of Amsterdam, the researcher achieved that the workload for employment attached to be negative or unattractive. It can be concluded that, if students are more concerned about avoiding workloads, it will have a positive impact on entrepreneurial intentions on students.

#### **2.1.9. Subjective Norm**

Ajzen (2005) said subjective norms are functions that are based on beliefs called normative beliefs, namely beliefs about the agreement and or disagreement originating from references of other people or groups that are considered to be important and influential for individuals, such as family, friends, and people who are considered important. Subjective norms also have a function of belief, which is in a different type, namely a person's belief in which certain individuals or groups approve or disapprove the behavior; or that this social reference itself is involved or not involved. Beliefs that underlie subjective norms are called normative beliefs. In general, people who believe that most of the references with whom they are motivated to obey who think they must do the behavior will feel the social pressure to do so. Otherwise, people who believe that most of the references with whom they are motivated to obey will disagree with their conduct of behavior will have subjective norms that put pressure on them to avoid behaving.

According to Sukmaningrum and Rahardjo (2017), subjective norms are individual beliefs to obey or fulfill suggestions or input from people around to take part in entrepreneurial activities. Gelderen et al. (2008) state that according to Theory Planned Behavior, attitude, subjective norms, and perceived behavioral control can affect the entrepreneurial intentions themselves.

#### **2.1.10. Perceived Behavioral Control**

Ajzen (1991) explains that behavioral control perceptions refer to perceived ease or difficulty to conduct behavior and are assumed to reflect past experiences and anticipate obstacles. The better subjective attitudes and norms with respect to behavior, the greater the perceived behavioral control and, the stronger must be the individual's intention to perform the behavior under consideration.

Bandura (1986) explains that self-efficacy is a specific task and must be assessed based on specific tasks and behaviors. Self-efficacy refers to the individual's belief that he is capable of carrying out tasks. Bandura (1986) retrieved from Sukmaningrum and Rahardjo (2017) said that self-efficacy can create a positive spiral, meaning that individuals who have high self-efficacy will be more involved in carrying out the task and will obtain longer, better, and more improved results. In addition, individuals with high self-efficacy will respond to negative feedback which can be in the form of criticism or even lead to insults with more effort and motivation to be a

better person. On the contrary, for individuals who have low self-efficacy, they will respond to it discouraged and tend to reduce their efforts to repeat these activities. According to Bandura (1986), he explains four ways to achieve self-efficacy, namely:

1. Successful experiences that occur repeatedly,
2. direct observation,
3. social persuasion, and
4. assessment of psychological status.

Krueger et al. (2000) stated in the study of entrepreneurship, that the self- efficacy of entrepreneurship is similar to the control of perceived behavior in the Theory of Planned Behavior and the perceived feasibility of entrepreneurial theory. Although the relationship between self-efficacy and entrepreneurial intentions is interesting, in the end, we care about actual behavior. There is a relationship between entrepreneurial self-efficacy, entrepreneurial career preference, and ultimate career choice. Longitudinal research is needed and initial efforts are underway. However, this research is not specifically related to entrepreneurship (Bandura et al. 2001) retrieved from Wilson et al. (2009).

#### **2.1.11. Perseverance**

Gelderen (2012) said perseverance is needed to successfully start or run a venture. Even people who are highly experienced and planned very well may run into unexpected obstacles and difficulties, and these may take longer to resolve than expected. Perseverance results in the success of more

efficient resources and is very important to understand "how and why entrepreneurs survive in difficult times" (Adomako et al, 2016).

### **2.1.12. Creativity**

Sternberg (2001) stated creativity is best understood in terms of a dialectical relation to intelligence and wisdom. However, creativity has in common their emphasis on people's ability to produce products that are not only in high quality but also novelty. Products fashioned by intelligent people are high in quality but not necessarily novel. According to Ward (2004) novel and useful ideas are the lifeblood of entrepreneurship. To be successful, entrepreneurs must generate valuable ideas for new goods or services that will appeal to some market. Further, having identified those potential opportunities, they must have been figured out how to bring the project to fruition. Because novelty and usefulness are the hallmarks of creative ideas, it is not surprising that the possible connection between creativity and entrepreneurship has been of interest for some time.

According to Zampetakis and Moustakis (2006) creativity aims to achieve a novelty, therefore it can be considered as a starting point for innovation as the successful implementation of creative ideas. Typically, entrepreneurship is defined in terms of innovation. Amabile (1996) retrieved from Zampetakis and Moustakis (2006) points out that, given the many obstacles that lie in the entrepreneurial pathway, considerable creativity is required

According to Ranto (2011) retrieved from Dewanti and Abad (2014) the realization of students who are independent and able to work requires several qualities that they must possess. Including their brave attitude and creativity.

### **2.1.13. Entrepreneurship Alertness**

According to Astim et. al (2013) alertness is a combination of elements of knowledge and mental attitude towards something to come. Alertness is a person's thoughts or action plans on something that he might or might experience. In alertness, there are two characteristics of a person namely defensive and offensive. If someone is defensive, then his thoughts or action plans will be avoiding, preventing, deflecting, covering up, reducing, or minimizing things that are thought to be detrimental to him or his group. On the other hand, the alertness that is offensive actually tries to see what benefits can be derived from something that might happen. The element of alertness in entrepreneurship plays an important role because of success, even the life and death of a company is often determined by estimating of what will happen and what actions should be taken.

According to Solesvik et. Al (2013) retrieved from Hussain and Hashim (2015) entrepreneurial alertness is used to develop sense by accumulating, transforming and selecting information from the environment so that it can be utilized for opportunity identification. Thus, the individuals need to accumulate and utilize specific and general human

capital of entrepreneurial alertness for identifying and exploiting the opportunities.

#### **2.1.14. Self-efficacy**

Bandura (1998) stated people who doubt at their capabilities are afraid from difficult tasks which on their view as personal threats. They have low aspirations and a weak commitment to the goals because they choose to pursue. When faced with difficult tasks, they assume on their personal deficiencies. On the obstacles they will encounter, and all kinds of adverse outcomes rather than concentrate on how to perform successfully.

According to Gelderen et al. (2008) by self-efficacy as well as by instrumental readiness, a contextual variable reflecting the individual's situation about access to capital, information, and networks. Is very useful to establish results on the level of variables that make up the attitude and Planned Behavioral Control components.

#### **2.2. Review of Previous Research Results**

Some previous studies have conducted research related to intention specifically on entrepreneurial intentions. Ajzen (2001) examines the influence of Theory of Planned Behavior and research on the relationship between intention and action. Most study in this research is using Theory of Planned Behavior. This review highlights the nature of perceptions of

perceived behavioral control, relative importance of subjective attitudes and norms, usefulness of adding more predictors, and role of previous behaviors and habits.

Gelderen et al. (2008) examine where intentions are perceived as the result of attitudes, perceived control of perceived behavior, and subjective norms. The methodology used is a replication study between a sample of business administration students at four different universities. The results show that the two most important variables to explain entrepreneurial intentions are entrepreneurial vigilance and the importance of financial security. The use of several samples provides strong evidence for the explanatory power of several variables especially attitudes towards autonomy, financial security, and perseverance.

A research conducted by used accounting students at one of Yogyakarta private universities with a total of 167 respondents. The results of the study explained that normative attitudes and behavioral control had a positive effect on student entrepreneurship intentions.

A research conducted by Sukmaningrum and Rahardjo (2017) used Diponegoro University's Faculty of Economics and Business Semarang University with a total sample of 69 respondents from 693 the total number of students. The results of the study explained that self-efficacy, subjective norms, need for achievement, parents' work background had a positive effect on student entrepreneurship intentions.

A research conducted by Chuah et al. (2016) uses 257 students as a sample studying in Universities in Malaysia. The results of the study

explained that attitudes toward behavior, subjective norms, and control on behavior had a very positive effect on student entrepreneurial intentions.

## **2.3. Hypothesis Development**

### **2.3.1. Effect of Autonomy Towards Entrepreneurial Intentions**

According to Gelderen and Jansen (2006), so many people like autonomy for the sake of decisional freedoms. However, people also need freedom as a necessary condition for the requirement of other motives. Some people are emphasizing the fact that self-employment or self-governing offers the opportunity to work according to one's goals, values, and attitudes. Still, others emphasize the opportunities that self-employment offers being in charge, directing, and for leading instead of being lead.

Gelderen et al. (2008) refer the autonomy as an attitude for decision making that is not forced or using his/her own initiative to direct and to lead, whereas attitudes like that are very much needed in the field of entrepreneurship. From their research, it was found positive or attractive to students to have entrepreneurial intentions. A research result by Suharti and Sirine (2011) states that the autonomy result frequency was high, and this aspect was considered attractive. Autonomy is forced the possibility of making decisions that are applied by the initiative. Based on the above description, the hypothesis that can be formulated is:

**H<sub>1</sub>: Students who are more concerned with autonomy are more likely to have entrepreneurial intentions.**



### 2.3.2. Effect of Challenge Towards Entrepreneurial Intentions

Miller and Le Breton-Miller (2017), stated the nature of the challenges faced by different kinds of groups are respectively, economy, and educational poverty for necessity entrepreneurs, socio-cultural community, and linguistic challenges for immigrant entrepreneurs. To compound the difficulties of these populations, there is often a bias against them that makes traditional career paths, and even entrepreneurship a most challenging effort. According to Mulyadi (2017) researching that a challenge or threat is something that must be faced by a company or organization to deal with various unfavorable environmental factors in a company or organization causes setbacks. At least there are 5 challenges that must be faced by entrepreneurs in entrepreneurship, among others, are as follows: capital, age of business, talent, business ideas, and love the occupied business.

Challenge is an attitude to prove someone whether he/she is able or not to do something that may have never been done, so that triggers him/herself to learn and try, whereas entrepreneurship is something similar for such an attitude (Saragih 2016). Research results by Walipah and Naim (2016) stated the highest frequency namely autonomy and challenges in an individual where this aspect is more considered. Based on the description above, the hypothesis that can be formulated is:

**H<sub>2</sub>: Students who are more concerned with challenge are more likely to have entrepreneurial intentions.**

### 2.3.3. Effect of Wealth Accumulation Towards Entrepreneurial Intentions

Gale and Scholz (1994) stated the relative sizes of these sources of wealth accumulation affect a variety of issues. For example, the effects of government debt, social insurance, public transfer programs, estate taxes, and incentives for charitable giving depends to some extent on the magnitudes and nature of private saving and transfer of wealth.

In addition, following the advice of Gelderen et al. (2008) researcher added the wealth accumulation variable in the context of increasing the value of the salary and benefits from the firm. When working for the organization, the amount of wealth that they are received can be accumulated relatively fixed. Meanwhile, in the entrepreneurs, the opportunities for receiving wealth are promising and much greater. Based on the description above, the hypothesis that can be formulated is:

**H<sub>3</sub>: Students who are more concerned with wealth accumulation are more likely to have entrepreneurial intentions.**

### 2.3.4. Effect of Workload Avoidance Towards Entrepreneurial Intentions

Hart and Staveland (2008) retrieved from Dhanial (2010) defined workload as follows “the perceived relationship between the amount of mental processing capability or resources and the amount required by the task”. From some understanding of workload, it can be concluded that a workload is a number of activities that require mental processes or abilities

that must be completed within a certain period of time, both physical and psychological (Dhania, 2010).

Workload avoidance refers to the avoidance of employee workloads such as work in a building, a lot of deadlines, dissatisfaction at work. According to Munandar (2010) workload, as an employee, can be the workload of working hours too strict, a variety of jobs that must be done, and knowledge and skills possessed by employees are not able to compensate for the difficulty of the job. Following advice from (Gelderen et al. 2008) researcher added the workload avoidance variable into the study. Because, based on the data collected from students, the researcher achieved that the workload for employment attached to be negative or unattractive. It can be concluded that, if students are more concerned about avoiding workloads, it will have a positive impact on entrepreneurial intentions on students. Based on the description above, the hypothesis that can be formulated is:

**H<sub>4</sub>: Students who are more concerned with workload avoidance are more likely to have entrepreneurial intentions.**

### 2.3.5. Effect of Subjective Norms on Entrepreneurial Intentions

According to Ernawati & Purnomosidhi (2011), subjective norms are one's perceptions of social influence in shaping certain behaviors. Someone can be affected or not affected by social pressure. Subjective norms can affect entrepreneurial intentions from the external side in the form of support for the environment, both family, friends, lecturers, and successful entrepreneurs. These people are like parents, friends, colleagues, lecturers or people who are considered important in their lives (Krueger et al. 2000).

According to Suharti & Sirine (2011), one reason is that generally, students are still in the stage of finding their career choice preferences. Opinions of parents, partners, friends and other important people may influence this process. Research result by Ariyani (2017) shows that the variables of self-efficacy, subjective norms and education have a significant effect on entrepreneurial intentions. Previous research by Adi et al. (2018), concluded that the support of subjective norms has a positive effect on student interest in entrepreneurship. Based on the above description, the hypotheses that can be formulated are:

**H<sub>5</sub>: Students who are concerned with subjective norms are more likely to have entrepreneurial intentions.**

### 2.3.6. Effect of Perseverance Towards Entrepreneurial Intentions

Gelderen (2012) said perseverance is needed to successfully start or run a venture. Even people who are highly experienced and planned very well may run into unexpected obstacles and difficulties, and these may take longer to resolve than expected.

Markman and Baron (2003) stated perseverance can be defined as the behavior of a person's ability to continually put an effort into a task even when faced with obstacles or problems in entrepreneurship. Whereas, entrepreneurship requires such behavior of perseverance so that this perseverance will affect students on entrepreneurial intentions or not. In a research conducted by Dewanti and Abad (2014), the participating students nominate perseverance as an important variable that influences entrepreneurial intentions themselves where perseverance reflects one's sincerity. Based on the description above, the hypothesis that can be formulated is:

**H<sub>6</sub>: Students who rate themselves higher in terms of perseverance are more likely to have entrepreneurial intentions.**

### 2.3.7. Effect of Creativity Towards Entrepreneurial Intentions

According to Ward (2004), novel and useful ideas are the lifeblood of entrepreneurship. To be successful, entrepreneurs must generate valuable ideas for new goods or services that will appeal to some market, after identifying those potential opportunities, they must have been figured out

how to bring the project to fruition. Because novelty and usefulness are the hallmarks of creative ideas, it is not surprising that the possible connection between creativity and entrepreneurship has been of interest for some time.

According to Zampetakis and Moustakis (2006), creativity aims to achieve a novelty, therefore it can be considered as a starting point for innovation, the successful implementation of creative ideas. Typically, entrepreneurship is defined in terms of innovation. Amabile (1996) retrieved from Zampetakis and Moustakis (2006) points out that, given the many obstacles that lie in the entrepreneurial pathway, considerable creativity is required.

Creativity itself is a person's ability to create something new. In terms of entrepreneurship, creativity can be defined as an innovation whereas entrepreneurship requires such behavior like creativity. In a research conducted by Gelderen et al. (2008) creativity greatly influences one's entrepreneurial intentions. Based on the description above, the hypothesis that can be formulated is:

**H<sub>7</sub>: Students who rate themselves higher in terms of creativity are more likely to have entrepreneurial intentions.**

### **2.3.8. Effect of Entrepreneurship Alertness Towards Entrepreneurial Intentions**

Astim et. al (2013), stated alertness is a combination of elements of knowledge and mental attitude towards something to come. Alertness is a person's thoughts or action plans on something that he might or might experience. In alertness, there are two characteristics of a person namely defensive and offensive. If someone is defensive, then his thoughts or action plans will be avoiding, preventing, deflecting, covering up, reducing, or minimizing things that are thought to be detrimental to him or his group.

Entrepreneurial alertness is used to develop sense by accumulating, transforming and selecting information from the environment so that it can be utilized for opportunity identification. Thus the individuals need to accumulate and utilize specific and general human capital of entrepreneurial alertness for identifying and exploiting the opportunities. This behavior is needed when facing the entrepreneurship field since someone must be able to read opportunity identification (Solesvik et. al, 2013) retrieved from Hussain and Hashim (2015). Gelderen et al. (2008) entrepreneurial alertness was added since students might have overlooked that sensitivity to detect business opportunities as a precondition for entrepreneurship. Based on the description above, the hypothesis that can be formulated is:

**H<sub>8</sub>: Students who rate themselves higher in terms of entrepreneurship alertness are more likely to have entrepreneurial intentions.**

### 2.3.9. Effect of Self-efficacy Towards Entrepreneurial Intentions

Bandura (1986) explains that self-efficacy is a specific task and must be assessed based on specific tasks and behaviors. Self-efficacy refers to the individual's belief that he is capable of carrying out tasks. Bandura (1986) retrieved from Sukmaningrum and Rahardjo (2017) said that self-efficacy can create a positive spiral. meaning that individuals who have high self-efficacy will be more involved in carrying out the task and the longer the results obtained the better and improved the results. In addition, individuals with high self-efficacy will respond to negative feedback which can be in the form of criticism or even lead to insult with more effort and motivation to be better. On the contrary, for individuals who have low self-efficacy, they will respond to it discouraged and tend to reduce their efforts to repeat these activities. Krueger et al. (2000) stated in the study of entrepreneurship that the self- efficacy of entrepreneurship is similar to the control of perceived behavior in the Theory of Planned Behavior and the perceived feasibility of entrepreneurial theory. Although the relationship between self-efficacy and entrepreneurial intentions is interesting, in the end, it will care about actual behaviour itself.

Self-efficacy provides a foundation for human motivation and personal achievement. No one believes that the student actions can produce the results they want, they have little incentive to act or hold true whereas in entrepreneurship it needs a behavior like self-efficacy. Andika and Madjid (2012) stated that self-efficacy has a positive and significant effect on entrepreneurial intentions. Self-efficacy is a condition where someone



believes that entrepreneurship is easy to do. Self-efficacy greatly influences entrepreneurial intentions. The perception of behavioral control influences intentions and actions where behavioral control has an important role in one's intentions Ajzen (1991). Based on the description above, the hypothesis that can be formulated is:

**H<sub>9</sub>: Students who rate themselves higher in term of self-efficacy are more likely to have entrepreneurial intentions.**

Based on the explanation above, the researcher summarizes the variables connection into a framework. The framework is as follows:

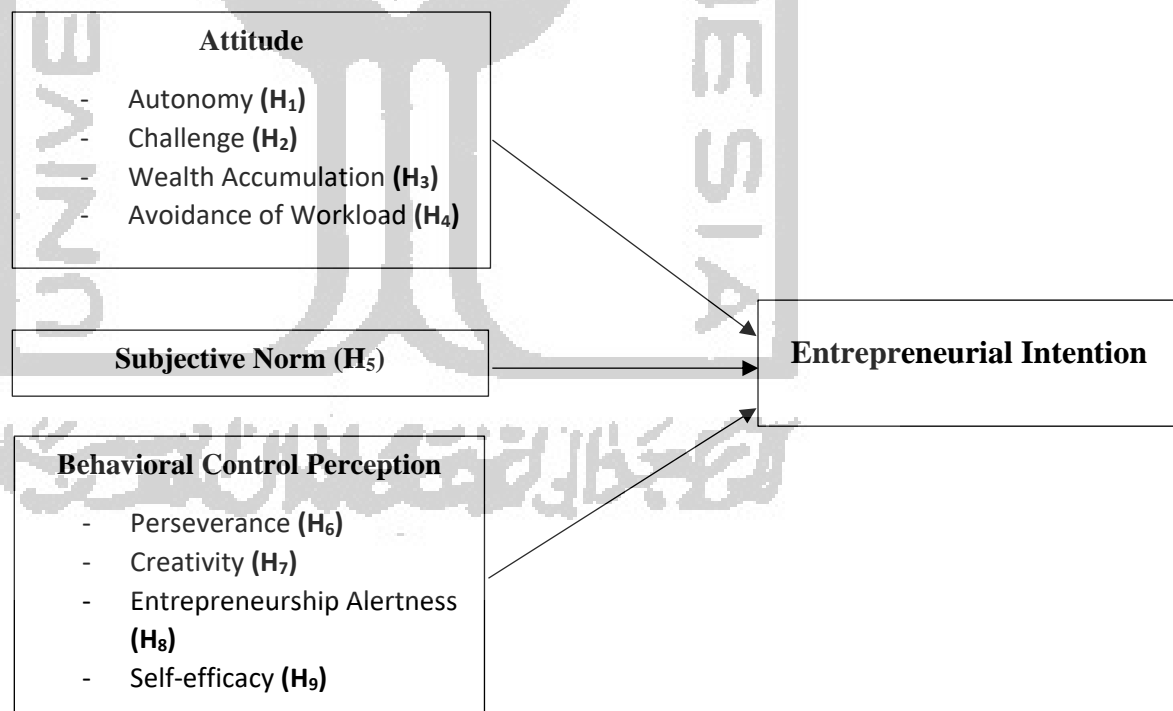


Image 2: Research Framework