

Determination of Entrepreneurial Knowledge and Locus of Control Through the Family Environment in the Interest of Entrepreneurship Students STMB MULTI SMART Medan

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ABSTRACT

This study aims to examine the interest in entrepreneurship, which is determined by entrepreneurial knowledge, family environment, and locus of control in STMB MULTISMART students in the development of entrepreneurial learning patterns that are very important to do because each college has different characteristics of students. The causal associative research approach was conducted through descriptive quantitative techniques with a population of 74 people and the entire population sampled. The research instrument used a questionnaire with a Likert scale. The data analysis technique used in this study is the Partial Least Square (PLS) method, assisted by SmartPLS 3 software. Based on the results of the study, which showed no effect of entrepreneurial knowledge on entrepreneurial interest; there is a positive and significant influence of locus of control on the interest of entrepreneurship; there is a positive and significant influence of the family environment on the interest in entrepreneurship; there is a positive and significant influence of entrepreneurial knowledge on the interest in entrepreneurship through the family environment; and there is a positive and significant influence of locus of control on the interest in entrepreneurship through the family environment. A more realistic approach to teaching entrepreneurship courses is needed by prioritizing practice, such as testing the manufacture of products that have differences from similar products and trying new ideas in a service. In addition, students need to be included in entrepreneurship competitions at local and national levels. This is certainly intended for students to get empirical learning. Additional variables, such as social and cultural factors, must be added by future researchers.

Keywords: *Entrepreneurial Knowledge, Family Environment, Interest in Entrepreneurship, Locus of Control*

INTRODUCTION

The ratio of entrepreneurship as a form of lack of interest in entrepreneurship in Indonesia is still low, namely 3,47 % ,which still requires the achievement of 10.53 percent to be considered a developed country. Percentage of 10,53 or $\pm 1,516,467,925$ people from the total labor force aged 15 to 29 years and $\pm 117,949,4784$ people from 1,120,128 total unemployed according to higher education. Achieving the maximum percentage in the ratio of entrepreneurship as a developed country is not something that is easy because it requires motivation, support and ongoing cooperation from all parties concerned.

The younger generation, especially college graduates, is an "agent of change" expected to play its role as a generation of "entrepreneurs" who make entrepreneurship the main choice in increasing its economic value. Entrepreneurship as the main choice should be based on self-motivation. Therefore, students who will one day graduate from college should improve their knowledge of entrepreneurship as the " root of motivation" to have a strong interest in entrepreneurship.

The knowledge factor plays an important role in the process of fostering interest in entrepreneurship because of how the individual's initial knowledge and knowledge obtained through external sources will have an impact on the process of recognizing opportunities. So what kind of knowledge is important to see opportunities in entrepreneurship, even in research conducted by Cho, Moon, & Bounkhong (2019) A lack of knowledge can be an obstacle to entrepreneurial interest..

Another factor that can have an impact on the interest in entrepreneurship is the support of the family environment. Research conducted by Georgescu & Herman (2020) shows that there is an influence on the social environment through the support of the family environment, especially parents, which is very important for determining entrepreneurial career decisions. Thus, the role of parents can influence the attitude of their children to become entrepreneurs.

Psychological attributes also play a role in entrepreneurial interest, namely the locus of control. Individual beliefs in the context of entrepreneurship are very important in shaping how an individual perceives the environment, such as the individual's perception of actions in entrepreneurship, the perception of the work environment and career success opportunities, and the recognition of the process as subjective.

Previous research conducted by Aini & Oktafani (2020) focused on reviewing entrepreneurial knowledge, entrepreneurial motivation, and family environment in students of the Faculty of communication and business at Telkom University. The study by Famila, Reza, & Astuti (2021) examines entrepreneurship education and the family environment towards student entrepreneurship interests in Samarinda, while this study aims to examine entrepreneurship interests determined by entrepreneurial knowledge, family environment, and locus of control in STMB MULTISMART students in the development of entrepreneurial learning patterns, which are very important because each college has different characteristics of students.

LITERATURE REVIEW

Entrepreneurial Interest

Entrepreneurial interest is a state of mind that directs action toward entrepreneurial behavior (López-Nez, et. al., 2020). Cahyaning in Hendrawan & Sirine (2017) said the interest in entrepreneurship is a desire that a person has in creating a new business so that entrepreneurs can achieve success and get a better life than before. Indicators of entrepreneurial interest are a strong will to achieve the goals and needs of life; a strong belief in one's own strength; honest attitude and responsibility; physical endurance, mental perseverance, tenacity, work and effort; creative thinking and constructive thinking (Hendrawan & Sirine, 2017).

Entrepreneurial Knowledge

Entrepreneurial knowledge is knowledge that is tested, collected, researched, and structured in practice as a source of useful information for others in need, so that entrepreneurship can be integrated into disciplines, both theoretical and empirical (Murniati, Sulisty, & Yudiono, 2019). According to Marfuah, (2021), entrepreneurship knowledge is all the information acquired in the process of education and experience used as training and understanding so as to lead to the ability to see the risks and the courage to face the risks in entrepreneurship. There are three indicators of entrepreneurial knowledge, namely: taking business risks, analyzing business opportunities, and formulating problem solutions (Marfuah, 2021).

Locus of Control

The locus of control is the belief that every event that happens to oneself is caused by factors that exist in oneself (Annisa, Tentama, & Bashori, 2021). According to Asante & Affum-Osei (2019), individuals with an internal locus of control have a high tendency to believe that their actions affect rewards or outcomes. Thus, they are more likely to believe in their skills, efforts, and abilities. Such people tend to deal positively with problems and obstacles by using constructive solutions. Therefore, they show a higher level of achievement and demonstrate a willingness to learn and improve their knowledge and abilities. Confidence in their efforts or ability to influence outcomes will make them more proactive and alert to entrepreneurial opportunities. In contrast, individuals with an external locus of control believe that their rewards are outside of them. Hence, they tend to regard personal rewards or outcomes as external factors such as luck. Therefore, their ability to recognize opportunities may be hampered by their belief in luck rather than effort. Indicators of locus of control are the internal aspect of the belief that the events in his life are determined by yourself; external powerful others, the belief that the events in his life are determined by others; and external chance, the belief that the events in his life are determined by fate, chance, and luck (Budiarto, 2021).

Family Environment

According to Wahyuningsih (2020), the family environment factor is one of the factors that influences a person to start entrepreneurship. One's interests, behavior, and attitude towards entrepreneurship are also influenced by considerations from various aspects regarding career choices in one's life. The family environment is the first educator and, as a foundation in the guidance of the main affection, it is the parents

who give a lot of influence and personality color to a child. Thus, the influence of the family environment is very strong in influencing entrepreneurial interests (Ulfah, 2018). The family environment constitutes a small group in society as the first environment in which children are educated and influences the behavior and thinking of all children (Ningrum, 2017). Indicators of the family environment according to Ningrum (2017) are the way parents educate, relationships between family members, home atmosphere, family economic circumstances, understanding of parents and parental backgrounds.

METHODOLOGY

Desain Study

This study uses a causal associative approach through descriptive quantitative techniques. A descriptive method is used to describe the influence of entrepreneurial knowledge and locus of control as an exogenous variable through the family environment as an intervening variable and interest in entrepreneurship as an endogenous variable.

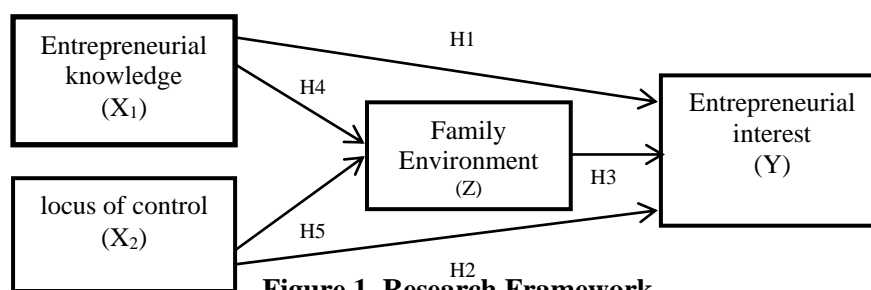


Figure 1. Research Framework

Hypothesis

A hypothesis is a temporary answer to the research problem until proven otherwise through the data collected. The hypotheses proposed in this study are as follows:

1. Entrepreneurship knowledge has a positive effect on the interest in entrepreneurship.
2. The locus of control has a positive effect on the interest in entrepreneurship.
3. The family environment has a positive effect on the interest in entrepreneurship.
4. Entrepreneurship knowledge has a positive effect on the interest in entrepreneurship through the family environment.
5. The locus of control has a positive effect on the interest in entrepreneurship through the family environment.

Population and Sample

This study was conducted on S.T. Manajemen Bisnis Multi Sarana Manajemen Administrasi dan Rekayasa Teknologi students of 2018. The determined population was 74 people, and the entire population was sampled.

Analytical Techniques and Research Instruments

Questionnaires with a Likert scale are used as research instruments. Indicators of entrepreneurial knowledge are taking business risks, analyzing business opportunities, and formulating problem solutions. Indicators of the family environment are the way parents educate, the relationship between family members, the atmosphere of the house, and the economic situation of the family. the understanding of parents and the background of parents. Indicators of the locus of control are internal aspects, external powerful others, and external chance. Indicators of interest in entrepreneurship are a strong will to achieve the goals and needs of life, a strong belief in one's own strength, an honest attitude and responsibility, physical endurance, mental perseverance, tenacity, work and effort, creative thinking and constructive thinking. Data analysis techniques used in this study were the Partial Least Square (PLS) method and assisted with SmartPLS 3 software. Studies in the PLS method have two stages, which include the outer model and the inner model.

Validity And Reliability Test

The validation of statements on the instrument was carried out using the SmartPLS 3 program and tested on 35 respondents outside the research sample, providing that if the loading factor value shows > 0.7 then the statement item is valid. Then cross loading has a correlation value between a component and its index that is greater than the correlation value with other components.

The reliability of the statement on the instrument is done by looking at the value of composite reliability and Cronbach's Alpha, which has a value of > 0.7, is said to be reliable. Then reliable is also done by looking at the value of Average Variance Extracted (AVE) > 0.50, then the value of AVE is considered qualified for reliable.

Hypothesis Test

Test the hypothesis by looking at the r-squared of the intrinsic structure and the t-statistic of the path coefficient test. The higher the R-squared value, the better the predictive model of the proposed research model. The value of the path coefficient indicates the level of significance in the hypothesis test.

RESULTS AND DISCUSSION

Outer Model

Validity Test Results

The results of convergent validity can be seen from the size of the validity indicated by the value of the loading factor. The load factor shows a correlation between the question unit score and the composition indicator score.

Table 1. Convergent Validity Before Elimination

Variable	Item	Outer Loading
Entrepreneurial Knowledge	EK.1	0.613
	EK.2	0.655
	EK.3	0.667
	EK.4	0.681
	EK.5	0.214
	EK.6	0.761
	EK.7	0.860
	EK.8	0.761
	EK.9	0.774
Family Environment	FE.1	0.791
	FE.2	0.786
	FE.3	0.840
	FE.4	0.850
	FE.5	0.867
	FE.6	0.759
	FE.7	0.637
	FE.8	0.330
	FE.9	0.811
	FE.10	0.807
	FE.11	0.741
	FE.12	0.677
LC	LC.1	0.847
	LC.2	0.696
	LC.3	0.744
	LC.4	0.076

Locus of Control	LC.5	0.176
	LC.6	0.414
	LC.7	0.230
	LC.8	0.349
	LC.9	0.407
Entrepreneurial interest	EI.1	0.890
	EI.2	0.767
	EI.3	0.723
	EI.4	0.721
	EI.5	0.776
	EI.6	0.683
	EI.7	0.782

Source: smartpls processing results (2022)

Based on table 1, there are 21 statement items that have a loading factor value greater than 0.7, which means they are valid while the rest must be eliminated.

Table 2. Convergent Validity After Elimination

Variable	Item	Outer Loading
Entrepreneurial Knowledge	EK.6	0.876
	EK.7	0.912
	EK.8	0.893
	EK.9	0.837
Family Environment	FE.1	0.703
	FE.2	0.878
	FE.3	0.886
	FE.4	0.873
	FE.5	0.899
	FE.6	0.839
	FE.9	0.871
	FE.10	0.862
	FE.11	0.833
Locus of Control	LC.1	0.929
	LC.3	0.899
Entrepreneurial interest	EI.1	0.753
	EI.2	0.792
	EI.3	0.818
	EI.4	0.792
	EI.5	0.800
	EI.7	0.703

Source: smartpls processing results (2022)

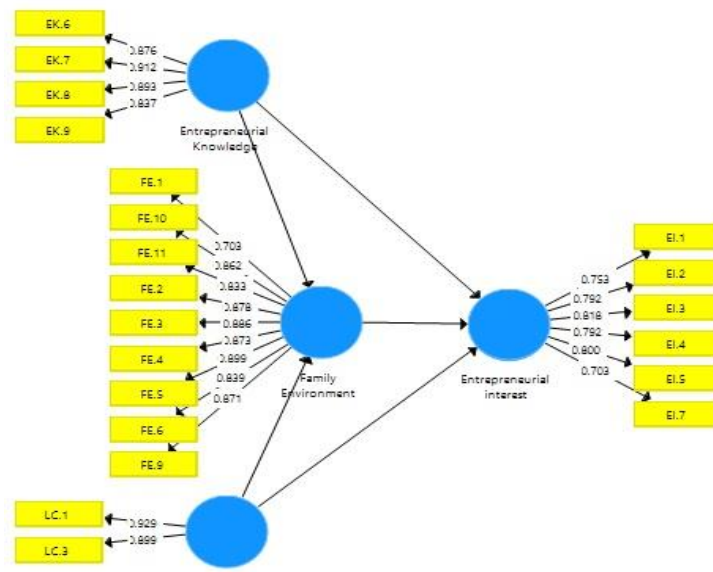


Figure 2. Outer Loading

Based on table 2 and figure 2, after the item with a loading factor value of less than 0.7 is eliminated, all statement items have a loading factor value greater than 0.7 and are declared valid.

Reliability Test Results

To evaluate the model, the latent variable is measured by the value of composite reliability and Cronbach's alpha. If the combined reliability indicator block and the Cronbach alpha value are both above 0.7, this means that the structure is declared reliable.

Table 3. Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha
Entrepreneurial Knowledge	0.932	0.903
Family Environment	0.959	0.952
Locus of Control	0.911	0.805
Entrepreneurial interest	0.901	0.869

Source: smartpls processing results (2022)

Based on table 3, it shows that all constraks have good reliability because the composite reliability and Cronbach's alpha values for all constraks are above the value of 0.7.

If the value of Average Variance Extracted (AVE) is above 0.50, then the extract has been qualified. The test results of the average variance extracted value can be seen in the following table:

Table 4. Average Variance Extracted

Variable	Average Variance Extracted
Entrepreneurial Knowledge	0.775
Family Environment	0.724
Locus of Control	0.836
Entrepreneurial interest	0.604

Source: smartpls processing results (2022)

The result of the Average Variance Extracted value in the table above shows the value of Average Variance Extracted >0.50, therefore the construct qualifies. The next step is comparing the square root of Ave with the correlation between constraks in the model.

Table 5. Correlation Value Between Constrak And Square Root Value Of Ave

Entrepreneurial Knowledge	Entrepreneurial Interest	Family Environment	Locus of Control
0.880			
0.691	0.777		
0.735	0.835	0.851	
0.724	0.765	0.800	0.914

Source: smartpls processing results (2022)

Based on table 5, the correlation value between Ave square root contracts shows that in each contract is greater than the other constraints. The discriminant validity category is qualified.

Inner Model

The inner model can be solved by looking at the R-square for endogenous constraints and T-statistical values of the path coefficient test. The higher the r-square value, the better the prediction model of the proposed research model. The value of the path coefficients indicates a significant level in the hypothesis test.

Determination

A determination test is a test conducted to determine the effect of exogenous variables on endogenous variables.

Table 6. R² Value

Variable	R Square
Entrepreneurial Interest	0.727

Source: smartpls processing results (2022)

Based on the results of the R-square value in table 6, we obtained how much interest in entrepreneurship can be influenced by exogenous variables. The R-square is 0.727. This shows that 72.7% of the variables of interest in entrepreneurship are the impact of variables of entrepreneurial knowledge, locus of control, and family environment, while the other 27.3% are influenced by other causes.

Hypothesis Test

The stages of hypothesis testing are shown in the following table:

Table 7. Path Coefficients Result (Direct Effect)

Hypothesis	Orginal sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T- Statistics (O/STDEV)	P- Values	Description
(H ₁) EK ->EI	0.099	0,099	0.111	0.893	0.372	Rejected
(H ₂) LC ->EI	0.233	0.241	0.092	2.524	0.012	Accepted
(H ₃) FE -> EI	0.575	0.568	0.109	5.280	0.000	Accepted

Source: smartpls processing results (2022)

The Effect Of Entrepreneurship Knowledge On Entrepreneurial Interest

The hypothesis test results (H1) obtained a t-statistical value of $0.893 < 1.666$ and a p-value of $0.372 > 0.05$. The test results had no effect and were significant, thus the first hypothesis was rejected. This shows that the entrepreneurial interests of STMB MULTI SMART students are not influenced by entrepreneurial knowledge. The results of this study contradict the research conducted by Cho, Moon, & Bounkhong (2019), which states that lack of knowledge can be an obstacle to entrepreneurship interest.

The Effect Of Locus Of Control On Entrepreneurial Interest

The hypothesis test results (H2) obtained a t-statistical value of $2.524 > 1.666$ and a p value of $0.012 < 0.05$, indicating that the test results are both positive and significant, implying that the second hypothesis was accepted. This shows that the entrepreneurship interests of STMB MULTI SMART students are influenced by the locus of control. The results of this study are in line with research conducted by Annisa, Tentama, & Bashori (2021), which shows that locus of control is more dominant in influencing entrepreneurial interest.

The Effect Of The Family Environment On Entrepreneurial Interest

The hypothesis testing results (H3) obtained a t-statistical value of $5.280 > 1.666$ and a p value of $0.000 < 0.05$. The test results are positive and significant, thus the third hypothesis was accepted. This shows that the entrepreneurship interests of STMB MULTI SMART students are influenced by their family environment. The results of this study are in line with research carried out by Georgescu & Herman (2020). The results showed that the influence of the social environment through the support of the family environment, especially the elderly, is important for determining entrepreneurial career decisions.

Table 8. Path Coefficients Result (Indirect Effect)

Hypothesis	Original sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P-Values	Description
(H ₄) EK ->FE-> EI	0.189	0,186	0.076	2.483	0.013	Accepted
(H ₅) LC ->FE -> EI	0.323	0.323	0.083	3.918	0.000	Accepted

Source: smartpls processing results (2022)

The Effect of Entrepreneurship Knowledge on Entrepreneurship Interest Through Family Environment

The hypothesis testing results (H4) obtained a t-statistic value of $2.483 > 1.666$ and a p value of $0.013 < 0.05$. The test result was positive and significant, so the fourth hypothesis was accepted. This shows that the entrepreneurial interests of STMB MULTI SMART students are influenced by entrepreneurial knowledge through their family environment.

The Effect of Locus of Control on Entrepreneurship Interest Through Family Environment

Hypothesis testing results (H5) obtained t-statistic value $3.918 > 1.666$ and p value $0.000 < 0.05$, then the test result was positive and significant effect, so the fifth hypothesis was accepted. This shows that the entrepreneurship interest of STMB MULTI SMART students is influenced by the locus of control through the family environment.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The results of the analysis and discussion of the determination of entrepreneurial knowledge and locus of control through the family environment to the entrepreneurship interest of STMB MULTI SMART students can be concluded that:

1. The analysis based on the data showed no effect of entrepreneurial knowledge on entrepreneurial interest.

2. Based on the analysis, it is evident that there is a positive and significant influence of the locus of control on the interest of entrepreneurship.
3. The results of the analysis showed that there is a positive and significant influence of the family environment on the interest in entrepreneurship.
4. The results of the analysis showed that there is a positive and significant influence of entrepreneurial knowledge on the interest in entrepreneurship through the family environment.
5. The results of the analysis showed that there is a positive and significant influence of the locus of control on the interest in entrepreneurship through the family environment..

Recommendations

Based on the results of the study, which showed that there is no influence of entrepreneurial knowledge on entrepreneurial interest in students/I STMB MULTI SMART, it is necessary to approach the teaching of entrepreneurship courses that are more realistic by prioritizing practice, such as testing the manufacture of products that have differences from similar products and trying new ideas in a service. In addition, students need to be included in entrepreneurship competitions at local and national levels. It is certainly intended that students get empirical learning. It is necessary for the next researcher to add variables, such as social and cultural factors.

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