

The Effect of Proactive Personality on Entrepreneurial Intention

N P N P Wijaya

Universitas Widyatama, Indonesia

putu.nurwita@widyatama.ac.id

Abstract. Entrepreneurship is a creative and innovative ability used as a basis, tips, and resource to seek opportunities for success. An entrepreneur was developed through these processes. Recently, the profession of entrepreneur is thriving since it can overcome the existing economic problem, namely unemployment. The synergy among the government as a regulator, private sector as a provider of capital, and universities as education providers develops a strong foundation in creating entrepreneurs. Universitas Widyatama is one of the higher education institutions creating entrepreneurs. However, many factors determine the process, one of which is internal factors (proactive personality). Therefore, this research aimed at investigating the effect of proactive personality factor on entrepreneurial intention. 100 students of the Faculty of Business and Management at Universitas Widyatama were taken as respondents. This research employed the linear regression analysis method. The findings revealed that proactive personality had a significant effect on the entrepreneur intention by 26.9%.

1. Introduction

In the past, every parent's deepest fear was their children chose to be entrepreneur. Nowadays, it is a pride for parents if their children have a successful business. There is a paradigm shift in the parents' mindset that the field of employment is not only limited to become a worker in a company, but also develop a private business and even open jobs vacancy for other people. Recently, the term entrepreneurship is thriving repeatedly.

The term entrepreneurship is derived from French word *Entreprende*, which means adventurous, creator, and manager of taste, this term was first introduced [1], cited in Suryana and [2] It became popular when Say used it to describe the businessman who was able to improve the productivity levels of the existing economic resources. Furthermore, the experts defined entrepreneurship into various definitions. One of the definitions was expressed by Suryana [3], stating that entrepreneurship is a creative and innovative ability that is used as a basis, tips, and resource to seek opportunities for success. In addition, an entrepreneur is defined as a person who has the creativity of a new business with the courage to bear the risks and uncertainties aiming at seeking profit and business growth based on identification of opportunities and being able to utilize resources and capitalize on this opportunity [3].

Nowadays, particularly in Indonesia, being an entrepreneur is not easy. It requires a synergy of three parties, namely government, private sector, and universities. In the previous research (2018), researchers investigated the factors that encourage the students of Universitas Widyatama Bandung to become entrepreneur. The finding revealed that there were two main factors to make them as an entrepreneur, namely internal and external factors. Internal factors are factors within individual that can encourage a person to become an entrepreneur, known as proactive personality. Meanwhile, external factors are factors outside individual that drive a person to become an entrepreneur.

This research investigated the effect of proactive personality variables (internal factors) on students' interest in entrepreneurship. According to Bateman and Crant [4], proactive personality is a construct of understanding intended for unique aspects and owned by an individual, which is related to the way it influence the surrounding environment. It is related to the reason that makes a person to be an

entrepreneurs. The fact that internal factors can generate an interest in entrepreneurship is sometimes neglected. Educational institution, in this case, plays an important role as a party creating superior entrepreneurs. The number of Indonesian Higher Education currently reaches 4,445 institutions consisting of all State Universities and Private Universities (forlap.ristekdikti.go.id). The colleges in this research refer to High Schools, Universities, Institutes, and Academies. Wiratno revealed in his research that "competencies to be possessed by graduates from higher education include academic knowledge, thinking skills, management skills, and communication skills [5]. In addition, graduates are also expected to have high life skills. Thus, one of the roles of higher education is to produce entrepreneurs. One way to achieve this role is through the curriculum by giving entrepreneurship courses that focus on learning programs and learning outcomes of each student.

Moreover, to produce entrepreneurs, the institution should also motivate and encourage the graduates' interest to become entrepreneur. Previous research showed that, although various academic and non-academic ways had been conducted by educational institutions, many graduates were still confused choosing between becoming employees or entrepreneurs. This problem may derive from the students' internal and external factors in which the internal factor such as proactive personality is one of the determinant factors. The purpose of this research was to investigate the effect of the proactive personality variable on entrepreneurial intention.

2. Literature Review

2.1 Entrepreneurship

Entrepreneurship is defined as a creative and innovative ability used as a basis, tips, and resource to seek opportunities for success. This definition is basically derived from someone's business experiences. According to Stevenson in Cowdrey, "entrepreneurship is the pursuit of opportunity without regarding to the resources currently controlled" [1]. From this understanding, an entrepreneur is a person who can take advantage of the existing opportunities by utilizing available resources. Drucker (2002) also states that an entrepreneur is a person who can move the resources from lower-productivity places to higher productivity places which certainly have a greater risk

2.2 Proactive personality and entrepreneurial intention.

Entrepreneurial intention was based on a theory called the Theory of Planned Behavior (TPB) [8]. The TPB states that the intentions to pursue certain behavior are influenced and formed by such factors as attitudes, subjective norms, or perceived behavioral control [2]. Entrepreneurial intention refers to the planning and implementation of business ideas oriented by a mental process [4].

In some research, it was stated that there are several variables related to internal factors that affect someone's interest. These factors are personality trait [2], in accordance with Mc. Clelland (1961, 1971) claim that personality trait is the personality characteristic such as the need for achievement effects individuals in the direction of entrepreneurial intentions. His research also contained several indicators relating to personality trait as for example the need for achievement, locus of control, and self-efficiency. Proactive personality described by Batemen and Crant is a dispositional construct that identifies differences among people in the extent to which they take action to the effect their environment.

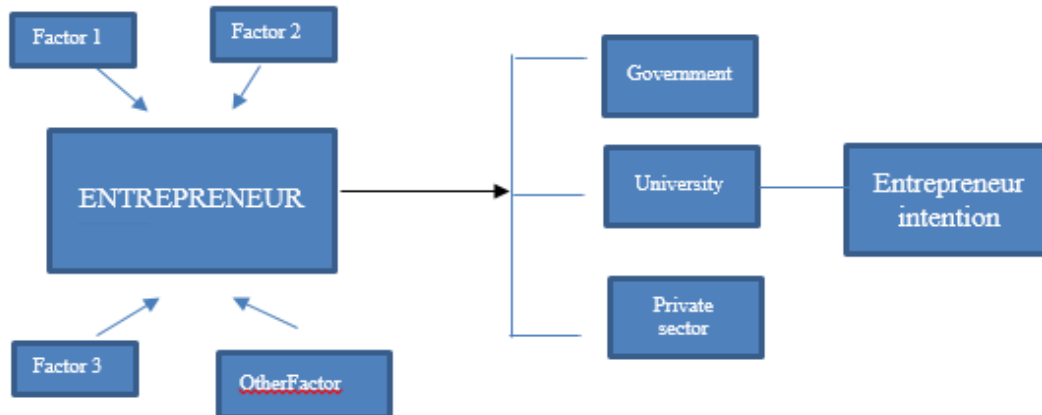


Figure 1. Theoretical Framework

Based on the above theoretical framework, it can be explained that many factors can make a person becomes an entrepreneur. In creating an entrepreneur, synergy is also needed from the government, private sector, and universities. One of main factors is the university. In universities, it is important to understand what can foster students' interest in entrepreneurship. This research will look for one of the factors determining the entrepreneurial interest of a student. That is the proactive personality factor or internal factors.

3. Research Method

This research used a simple linear regression method because there is the relationship between two variables where in this research the independent variable is proactive personality and the dependent variable is entrepreneurial intention. The population in this research was the students of Faculty of Business and Management, Universitas Widyatama which has five faculties. The choice of business and management faculties was because this faculty has an appropriate curriculum to become an entrepreneur. The sample of the research was 100 students.



Figure 2. Research Model

3.1 Research Model and Hypothesis

Based on the theory above, the hypothesis of the research is formulated as follow:

Ho: Proactive personality (X) has no significant effect on entrepreneurial intention (Y)

Ha: Proactive personality (X) has significant effect on entrepreneur intention (Y)

4. Findings

The questionnaires consisting of 100 items were distributed both online and offline to describe the characteristics of respondents. Based on the gender, the respondents were consisted of 61% women

and 39% men. These questionnaires were distributed to students who joined the entrepreneurship courses.

The t test was conducted to determine the effect of independent variables partially or each independent variable on the dependent variable by comparing the t value with the level of significance (95%). In order to investigate whether proactive personality (X) has a significant effect on entrepreneurial intention (Y), the hypothesis was tested as follows:

Ho: Proactive personality (X) has no significant effect on entrepreneurial intention (Y)

Ha: Proactive personality (X) has significant effect on entrepreneur intention (Y)

As presented in Table 1, the t count for service variables was 0.269 with a significance value of 0.000, which was lower than the level of significance ($\text{sig} < 0.05$). Thus, H0 was rejected and H1 was accepted, meaning that proactive personality has a significant effect partially on entrepreneur intention of Universitas Widyatama students.

Table 1. Model Summary

Model Summary				
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.525 ^a	.276	.269	.46413

a. Predictors: (Constant), VAR00023

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.047	1	8.047	37.354	.000 ^b
	Residual	21.111	98	.215		
	Total	29.158	99			

a. Dependent Variable: VAR00024

b. Predictors: (Constant), VAR00023

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	2.330	.320		7.270	.000
	VAR00023	.495	.081	.525	6.112	.000

a. Dependent Variable: VAR00024

4.1 Hypothesis testing

Based on the results of the analysis shown in the table above, the coefficient of determinant of the effect of proactive personality (X) on entrepreneurial intention (Y) was 26.9%. Thus, Ho was rejected and Ha was accepted. The dimensions of proactive personality variable were motivation, innovation, and effect to the surrounding.

5. Discussion

The findings revealed that there was a significant effect of the proactive personality variable on entrepreneur intention. The calculation results indicated that proactive personality was one of the determinant factors of entrepreneur intention. However, the magnitude of the effect was 26.9%, which was categorized as low. This showed that there were other factors that influenced the entrepreneur

intention. The findings of this research were supported by several previous researches that examine other determinant factors of entrepreneur intention. Investigated proactive personality at university as a driver of entrepreneurial interest [4]. In addition, the research of Indarti and Kristiansen examined the demographic and contextual element factors as one of the determinant factors of entrepreneurial intention. This is also evident from the theoretical framework that there are various factors affecting people's interest in entrepreneurship to be explored [9].

6. Conclusion

The role of university to create entrepreneur is very essential. Thus, the university needs sufficient understanding of the determinant factors of the interest in entrepreneurship. The findings of this research revealed that proactive personality factors affected entrepreneurial intention by 26.9%. It was found that the magnitude of the effect was not too large due to other factors not investigated in this research.

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