

THE IMPACT OF SELF EFFICACY TO THE ENTREPRENEUR MOTIVATION OF GENERATION Y

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ABSTRACT

This research finds the core relationship between self-efficacy and entrepreneur motivation in generation Y. The limit of the study was the number of respondents and also the domicile where they were located, were limited in West Java areas. The research using mixed methods, between qualitative and quantitative methods. The authors spread questionnaires to 141 respondents ages 19-45 in order to get their perspectives on their motivation to build their own enterprises, compared with their self-efficacy. The results found out that mostly their motivation mostly in moderate levels. Their preferences to have stable career rather than building own business, caused by many factors explained detail below.

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1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the spearheads of the national economy, to recover from the post-Covid-19 crisis. It is alleged that after Covid 19, MSMEs that can survive the onslaught of crises the most, including those, are able to support households in families in the middle class. It was noted that in 2022 the Ministry of Cooperatives and SMEs recorded that as of February 2022, 17.25 million MSME players were connected to the digital ecosystem. This means that around 17 million more MSME players have been registered active in Indonesia.

From Vocational Education Policy data, (White Paper Vol. 1 No. 5 of 2019) in terms of age, the map of MSME actors in Indonesia shows a slight gap between the younger ones (aged 35 and below) by 40% compared to older founders (aged 35 and above) by 60%.

But from the level of education, the gap is quite significant with figures who have a bachelor's degree and above only 15%, the rest are mostly high school educated, which is the consistency of participation rates in existing high school education. The largest SME sector players are in the three sectors, retail or wholesale (26.2%), materials or manufacturing (24.8%) and restaurants or food and beverage services (22.6%).

From the 2019 data, the authors were interested in researching, why the interest in entrepreneurship among generation Y is not as high as the entrepreneurial interest of the founders and owners of companies aged 35 years and over, and why the average of SME owners are High School graduates. Increasing the motivation levels of Generation Y is crucial, due to the critical needs of behavioral changing to more positive, competency competencies development, goal setting for their future, growing their interests to develop own enterprises, and also talent development and their engagement to be the entrepreneur in the future.

We find summary that self-efficacy will determine how motivate someone to develop their own business in the future. And, the succeed of their effort can be measured in to how they control they good or bad experiences from their closest inner circles such as families and relatives, and make their own lesson

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learned, how their feelings have freedom to have dreams and vision on their long term success and the positive impact they can give to themselves and their families, from the business, at least, having positive feeling and attitude about themselves.

2. METHOD

2.1. RESEARCH METHODOLOGY

This research using mixed methods analysis. Using qualitative measurements while interviewing the participants ages 19-45 years old and also using SMART/PLS in analyzing the 141 questionnaire results. The responses from respondents to each of the statement items were categorized into five, such as, excellent, good, sufficient, poor and very poor with the calculation as follows:

- Maximum Index Score = Highest Scale = 5
- Minimum Index Score = Lowest Score = 1
- Interval = [Maximum Score – Minimum Score]: 5
= (5 - 1): 5 = 0,8

Table 1. Scoring Criteria Based on Percentages

No.	Percentages	Scoring Criteria
1	1.0 – 1.80	Very Poor
2	1.81 – 2.60	Poor
3	2.61 – 3.40	Sufficient
4	3.41 – 4.20	Good
5	4.21 – 5.00	Excellent

Descriptive analysis was carried out in order to obtain a picture of respondents' perceptions of the variables in the study. The variables in this study are Self-Efficacy and motivation to strive based on the calculation results of 141 respondents that have been obtained. Based on the PLS estimation method, a full structural model path diagram is obtained as shown in the following figure:

Figure 1. Structural Full Model (PLS Algorithm) before Dropping

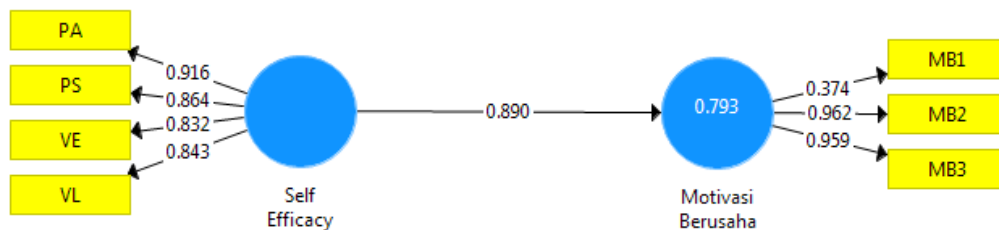
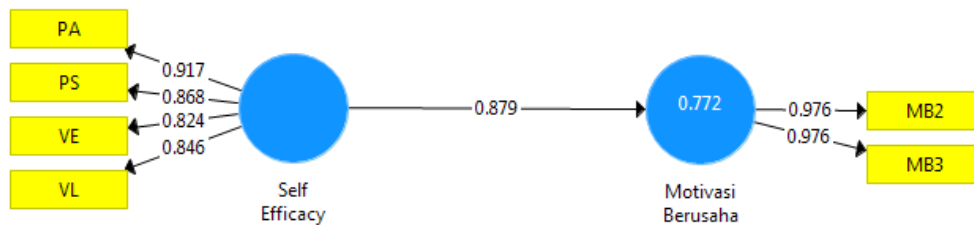


Figure 2. Structural Full Model (PLS Algorithm) after Dropping



3. RESULT AND DISCUSSION

3.1. Self-Efficacy Descriptive Analysis Result

Self-Efficacy Variables presented by 20 questionnaire items:

Table 2. Self-Efficacy Descriptive Variable

No	Statement	1	2	3	4	5	Total Score	Average	Category
1	p1	84	4	13	21	19	310	2.20	Bad
		59.6%	2.8%	9.2%	14.9%	13.5%	44%		
2	p2	77	40		10	1	202	1.43	Very Bad
		54.6%	28.4%	0.0%	7.1%	0.7%	29%		
3	p3	0	0	91	50	0	473	3.35	Average
		0.0%	0.0%	64.5%	35.5%	0.0%	67%		
4	p4	0	1	37	0	103	628	4.45	Very Good
		0.0%	0.7%	26.2%	0.0%	73.0%	89%		
5	p5	58	0	36	2	45	399	2.83	Average
		41.1%	0.0%	25.5%	1.4%	31.9%	57%		
6	p6	4	9	0	0	128	662	4.70	Very Good
		2.8%	6.4%	0.0%	0.0%	90.8%	94%		
7	p7	1	4	16	10	110	647	4.59	Very Good
		0.7%	2.8%	11.3%	7.1%	78.0%	92%		
8	p8	19	0	0	71	51	558	3.96	Good
		13.5%	0.0%	0.0%	50.4%	36.2%	79%		
9	p9	3	10	17	44	67	585	4.15	Good
		2.1%	7.1%	12.1%	31.2%	47.5%	83%		
10	p10	91	1	0	0	49	338	2.40	Bad
		64.5%	0.7%	0.0%	0.0%	34.8%	48%		
11	p11	0	93	0	0	48	426	3.02	Average
		0.0%	66.0%	0.0%	0.0%	34.0%	60%		

No	Statement	1	2	3	4	5	Total Score	Average	Category
12	p12	77	1	14	33	16	333	2.36	Bad
		54.6%	0.7%	9.9%	23.4%	11.3%	47%		
13	p13	16	39	10	76	0	428	3.04	Average
		11.3%	27.7%	7.1%	53.9%	0.0%	61%		
14	p14	0	0	12	124	5	557	3.95	Good
		0.0%	0.0%	8.5%	87.9%	3.5%	79%		
15	p15	1	2	3	8	127	681	4.83	Very Good
		0.7%	1.4%	2.1%	5.7%	90.1%	97%		
16	p16	1	2	2	50	86	641	4.55	Very Good
		0.7%	1.4%	1.4%	35.5%	61.0%	91%		
17	p17	80	3	0	0	58	376	2.67	Average
		56.7%	2.1%	0.0%	0.0%	41.1%	53%		
18	p18	3	25	0	113	0	505	3.58	Good
		2.1%	17.7%	0.0%	80.1%	0.0%	72%		
19	p19	77	3	14	30	17	330	2.34	Bad
		54.6%	2.1%	9.9%	21.3%	12.1%	47%		
20	p20	2	0	82	0	57	533	3.78	Good
		1.4%	0.0%	58.2%	0.0%	40.4%	76%		
Self-Efficacy (X)							9612	3.41	Good
Percentage							68%		

Based on the results of data processing that has been described in table 2 above, it can be seen that the total score for the Self Efficacy variable is 9612 with an average of 3.41. This average value is in the range of 3.41 – 4.20. Therefore, from the results of the continuum line above, it can be concluded that respondents' perceptions of Self Efficacy are in the good category.

Results of Descriptive Entrepreneurship Motivation

The Variable Entrepreneurship Motivation, represented by 3 items of statement as follows.

Table 3. Descriptive Variables of Motivational Effort

No	Statement	1	2	3	4	5	Total Score	Average	Category
1	p21	0	81	29	28	3	376	2.67	Average
		0.0%	57.4%	20.6%	19.9%	2.1%	53%		
2	p22	79	0	22	0	40	345	2.45	Bad
		56.0%	0.0%	15.6%	0.0%	28.4%	49%		
3	p23	77	0	0	0	64	397	2.82	Average
		54.6%	0.0%	0.0%	0.0%	45.4%	56%		
Entrepreneurial Motivation (Y)							1118	2.64	Average
Percentage							53%		

Based on the results of data processing that has been described in table 4. 16 above, it can be seen that the total score for the Entrepreneur motivation, variable is 1118 with an average of 2.64. This average value is in the range of 2.60 – 3.40. Therefore, from the results of the continuum line above, it can be concluded that the respondent's perception of Entrepreneur Motivation is in the average category.

Outer Model Test

To assess Convergent Validity, the value of the loading factor must be more than 0.6, and the average extracted (AVE) and communality value must be greater than 0.5, the following results are obtained:

Table 4. Loading Factor Before Dropping

Variable	Variable Manifest	Loading Factor	Result
Entrepreneurship Motivation	MB1	0.374	Not Valid
	MB2	0.962	Valid
	MB3	0.959	Valid
Self-Efficacy	AND THE	0.916	Valid
	PS	0.864	Valid
	And	0.832	Valid
	VL	0.843	Valid

The result above show the loading factors for each manifest variable. For the first calculation, all loading factors are valid, except MB1 are not valid, which must be recount to get the data precisely.

Table 5. Loading Factors After Dropping

Variable	Variable Manifest	Loading Factors	Summary
Entrepreneur Motivation	MB2	0.976	Valid
	MB3	0.976	Valid
Self-Efficacy	AND THE	0.917	Valid
	PS	0.868	Valid
	And	0.824	Valid
	VL	0.846	Valid

The data shows the result after recalculated, and it shows the *loading factor* of all indicators against the latent variable shows >0.7, so that all indicators are considered valid and able to measure the variable correctly.

Table 6. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Entrepreneurship Motivation	0.953
Self-Efficacy	0.747

The table shows that the four latent variables have an AVE value that is greater than the specified value of 0.5. So that all variables are declared valid in explaining their latent variables indicating that the use of the manifest variable meets the requirements of the AVE. Therefore, all manifest variables are declared to have met the convergent validity requirement.

Discriminant Validity

The *cross-loading* values are presented as follows:

Table 7. Cross Loading Factor Test Results

	Entrepreneurship	Self-Efficacy
MB2	0.976	0.854
MB3	0.976	0.862
AND THE	0.874	0.917
PS	0.762	0.868
And	0.661	0.824
VL	0.720	0.846

Based on the PLS software results table above, it can be seen that the cross-loading factor value of each latent construct for corresponding indicators is higher than other constructs, so it can be concluded that the indicator-the indicators used to measure latent variables have been qualified.

Reliability Test

Composite Reliability (CR) and Cronbach's Alpha, which are presented as follows:

Table 8. Composite Reliability (CR) and Cronbach's Alpha Test Results

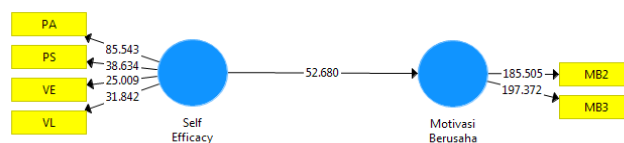
	Cronbach's Alpha	Composite Reliability
Entrepreneurship Motivation	0.951	0.976
Self-Efficacy	0.887	0.922

From the test results above, it can be seen that the Composite Reliability (CR) value is greater than 0.7 and the Cronbach's Alpha value is greater than 0.6, so it can be concluded that reliable data shows that all indicators have consistency in measuring each variable.

Structural Model Testing (Inner Model)

The following is a picture of the bootstrapping results carried out in this study:

Figure 4. Bootstrapping



Square test

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The influence of dependent variables can be displayed by R-square values. Here's the R-square value gain.

Table 9. R-Square Variable R-Square Results

	R Square
Entrepreneurship Motivation	0.772

Sources: data that has been processed

Through the value of the coefficient of determination (R-square) contained in the table above, it can be seen that the R square value of the motivation variable of trying is 0.772, which shows that the motivation of trying can be explained by 77.2% by the self-efficacy variable.

Table 10. Path Significance Test

	Original Sample	t-value	P Values	Conclusion
Self-Efficacy => Entrepreneurship Motivation	0.879	52.68	0.000	Accepted

Ho: Self Efficacy has no significant positive effect on Motivation to Strive

H1: Self Efficacy has a significant positive effect on Business Motivation

Reject Ho and accept H1 if the value of $t_{counts} > t_{of\ the\ table}$

To test the hypothesis above, use the t_{value} to see the effect of Self Efficacy on Entrepreneurship Motivation, with a t-value of 52.68, this value is greater than 1.96 with $\alpha=0.05$, so it can be concluded that H1 is accepted, meaning that there is a significant influence of Self Efficacy on Motivation to Strive.

The Variable self-efficacy to motivation to try has an original sample of 0.879 with a positive direction meaning that the better the Self Efficacy, the motivation to try will also increase by 0.879.

From the 141 respondents, mostly show average motivation to do business or to develop their own business in the future. Most respondents chose working in the companies and having career as their future activities for survival. This happened might by lack of samples in their inner circle who run business successfully. Moreover, classes at schools and campuses did not train them theories and practical how to run business. They only find samples from public figures who already succeed as celebrities, then they start to run their own business. So, images spread among them, only those who are very limited people, who can succeed run the business.

4. CONCLUSION

From this research, we would like suggest some actions such as giving focuses on developing the business mind set for high school students. They should rely that business can be start from zero to be bigger by cultivating dan developing them strategically. Then, developing curriculum that fit to theories and practical steps on how to build business Increasing their level of self-efficacy by improving their self-image. Schools and campuses not only give punishment, also rewards and recognition for students who have positive mindset. For further researches, we would like to suggest to have larger respondents, not only in Jabodetabek areas. And also, to deepen and adding more variables and indicators, such as their gaining from business, their worst and best experiences of doing business.

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