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Analysis of Entrepreneurial Intentions in the Agricultural Sector (Agri-Preneur) of Agribusiness Students at Universities in Medan City

Muhammad Bobby Ramadhana¹, Retna Astuti Kuswardani², Emmy Harso Kardhinata³, Muhammad Reza Aulia⁴

¹Program Studi Magister Agribisnis, Universitas Medan Area, Medan, Indonesia, m.bobbyramadhanaaaa21@gmail.com

²Program Studi Magister Agribisnis, Universitas Medan Area, Medan, Indonesia.

³Program Studi Agroteknologi, Universitas Medan Area, Medan, Indonesia.

⁴Program Studi Agribisnis, Universitas Teuku Umar, Aceh, Indonesia.

Corresponding Author: m.bobbyramadhanaaaa21@gmail.com¹

Abstract: This study aims to identify students' entrepreneurial intentions at universities in Medan City. This research was conducted due to the issue of unemployment caused by the skill competencies of agribusiness graduates, the generally low interest among students in creating job opportunities, and the declining enthusiasm for entrepreneurship in the agricultural sector. This study employed a survey method with a research population consisting of 920 agribusiness students from the Faculty of Agriculture in Medan City, spread across three universities: UMA, UMSU, and USU. The sample for this study consisted of 90 students from the three universities. The results show that students' entrepreneurial intentions, particularly at universities in Medan City, demonstrate a high level of interest; however, there is a need for accelerated learning and hands-on practice in entrepreneurship. Entrepreneurial intention in Indonesia, especially at universities in Medan City, falls into the high category. The higher the personal values and personalities aligned with entrepreneurship among students, the higher their level of entrepreneurial intention. This indicates that the students' entrepreneurial intentions reflect a positive response toward entrepreneurship.

Keyword: Intention, Entrepreneurship, Students

INTRODUCTION

Since agriculture accounts for a significant portion of Indonesia's GDP, it is clear that this industry has the ability to bolster national economies, particularly those of emerging ASEAN nations. Even now, farming remains the main occupation for the majority of Indonesians. Among Indonesia's occupations, agriculture employed the largest percentage in 2018 at 30.46 percent (BPS, 2019). However, the agricultural/agribusiness sector, which has great potential, has not been fully developed into a driver of national economic development. This is evident from the economic development issue, which is indicated by low competitiveness. According to the World Economic Forum (2019), in the Global Competitiveness Index (GCI) report, Indonesia ranked 50th out of 141 surveyed countries,

which shows a decline of five places compared to the previous year's survey. This indicates that Indonesia is less competitive compared to countries such as Singapore, Malaysia, and Thailand.

One reason Indonesia's economy is so competitive is because there aren't enough qualified business owners, especially in the agricultural sector. Hence, enough skilled entrepreneur farmers are needed in Indonesia. Entrepreneurial farmers tend to the soil while simultaneously seeking out new ways to grow their companies. Entrepreneurial operations in rural areas are gaining significance, which is why this research is both novel and important (Diaz-Pichardo, González, Hernández, and McElwee, 2012; Erik, 2006; Henderson, 2006; McElwee, 2006). This means that the ability of an agrarian economy to generate national prosperity is directly related to the quantity and quality of entrepreneurial farmers. An entrepreneurial farmer must have the will to launch and manage their own company. According to Ajzen's (1991) Theory of Planned Behavior, which implies that there is a strong association between intention and a predisposition to engage in entrepreneurial activities within the agriculture sector, this study's entrepreneurial intention is based on that. Investigating entrepreneurial intention among the younger generation in agriculture is necessary, especially considering its steady decline.

In light of this, it is critical to investigate what variables influence agricultural students to intend to start their own businesses. In 2016, the Youth Agripreneur Development Program (Program Penumbuhan Wirausaha Muda Pertanian - PWMP) was launched by Indonesia's Ministry of Agriculture in response to the low level of entrepreneurial intention among young entrepreneurs in the agricultural sector. With a strong emphasis on encouraging more agricultural entrepreneurs, this program seeks to revitalize the agricultural sector's human resource pool and lower the rate of educated unemployment among recent college grads. Perceived behavioral control, subjective norms, and attitudes toward behavior are crucial components in understanding entrepreneurial intention.

There have been a lot of studies done on similar topics. According to research by Riana (2018), students' perceptions of their own behavioral control, subjective norms, and attitude toward conduct significantly impact their entrepreneurial aspirations. Arisandi (2016), Ibrahim and Afifi (2018), Ridha and Wahyu (2017), and Shiri (2012) all found that entrepreneurial intention in the agricultural sector is impacted by subjective norms or external factors, but attitude toward the behavior and perceived behavioral control are unaffected. These findings contradict these findings. Trisnawati (2011) found that when people's subjective norms and attitudes are positive, it increases the likelihood that they will have entrepreneurial intentions. Several studies have shown that an individual's attitude has a significant role in predicting whether or not they will engage in entrepreneurial activities. These studies include Adebayo and Kavoo (2016), Devi (2015), Mahmoud (2014), and Zampetakis, Anagnosti, and Rozakis (2013). More research on the effects of various social networks and individual characteristics on agro-entrepreneurial behavior is needed (Pindado et al., 2018). Since entrepreneurial farmers have the ability to lower unemployment rates and propel national economic development, the purpose of this research, titled "Agricultural Entrepreneurial Intention (Case Study of Agribusiness Students in the Faculty of Agriculture)." is to investigate these intentions.

Interest in entrepreneurship as a profession among Indonesians remains relatively low. This lack of interest is evident because only 1.65% of the Indonesian population is entrepreneurs (Putra, 2015). In contrast, other countries have higher percentages: Singapore has 7%, Malaysia has 5%, Thailand has 2%, and developed countries like the United States and Japan have more than 10% of their population engaged in entrepreneurship (Putra, 2015).

Beyond formal entrepreneurship training, several personal characteristics, including outlook, psychology, gender, family history, and one's immediate environment, have a role in determining whether or not an individual chooses to pursue entrepreneurial endeavors.

Although entrepreneurship education is considered influential, there is a theoretical model that enhances and clarifies the prediction of entrepreneurial interest, namely Ajzen's Theory of Planned Behavior (TPB) (Krueger et al., 2000). Attitudes, subjective standards, and perceived behavioral control are the three factors that impact an individual's purpose, according to the Theory of Planned Behavior (Ajzen, 1991, referenced in Maisaroh et al., 2013). A person's predictable assessment and propensity to respond to an item is their attitude toward action. Attitude determines whether a person likes or dislikes the object (Yogatama, 2013).

Students are uncertain about their ability to engage in entrepreneurship or make related decisions. These considerations motivated the present study, which employs students' attitude toward behavior, subjective norms, and perceived behavioral control as mediators to assess their interest in starting their own businesses, to examine the impact of entrepreneurial education on students' intentions to do so. Based on the aforementioned background, it is relevant to examine "The Effect of Entrepreneurial Education on Entrepreneurial Intention Mediated by Planned Behavior."

METHOD

The research method is a set of procedures or approaches that can be used to conduct a study. This research aims to explore an overview of entrepreneurial intention; therefore, this study employs a descriptive research method. The descriptive method describes or analyzes research findings but does not intend to draw broader generalizations (Sugiyono, 2010). The survey method is a research approach conducted on several individuals or units of analysis, aiming to obtain factual information or evidence regarding the characteristics of a group or individual behavior, and the results are used as a basis for planning or decision-making. This method utilizes questionnaires as the primary data collection tool (Muhidin, 2011).

RESULTS AND DISCUSSION

The Influence of Family Environment (X1) on Entrepreneurial Intention (Y)

The partial statistical test revealed that X1, which represents the family environment and includes socioeconomic factors, demographics, and family circumstances, positively but insignificantly affects the intention to start a business. The fact that the t-value is 0.959, which is less than the essential t-value of 1.988 ($0.959 < 1.988$), and the significance value is 0.340, which is greater than the significance threshold of 0.05 ($0.340 > 0.05$), proves this. So, although there is a favorable but statistically small effect of family environment on entrepreneurial inclination, it is still there. It appears that there are other elements besides the home environment that have a greater impact on students' entrepreneurial intention, while the family environment variable does not significantly contribute to directly influencing it.

This result is in agreement with earlier studies that looked at the intentions of Malaysian business students to start their own companies (Zain, Akram, and Ghani, 2010). The researchers in this study sought to determine whether students' inclination to start their own businesses was influenced by economic characteristics or their immediate environment, or by psychological factors like self-efficacy, locus of control, and need for achievement. According to the findings, there are a number of elements that influence students' decisions to pursue careers in entrepreneurship, including both internal factors influenced by students' personality qualities and external factors influenced by the state of the economy. Therefore, it can be concluded that the combination of an individual's confidence in their abilities, belief in control over outcomes, need for achievement, and support from a conducive economic environment is the primary determinant shaping entrepreneurial intention among students.

The Influence of Entrepreneurial Knowledge (X2) on Entrepreneurial Intention (Y)

The entrepreneurial knowledge variable (X2), based on the results of the partial statistical test, shows that entrepreneurial knowledge has a positive but not significant effect on

entrepreneurial intention. This suggests that people's interest in starting their own business is negatively correlated with their degree of knowledge about entrepreneurship. Reasons for this include a significance level of 0.936, which is much higher than the predetermined level of 0.05, and a computed t-value of -0.080, which is lower than the necessary t-value of 1.988. As a result, while it is reasonable to assume a correlation between entrepreneurship education and future plans, the impact is small and not statistically significant. This suggests that knowing the ins and outs of entrepreneurship isn't enough to spark a strong interest in the field; other factors probably have a bigger impact on whether or not a person decides to launch their own company.

Darmanto (2012) investigated the function of personality factors in inspiring students to pursue entrepreneurial goals; this result runs counter to his findings. Factors including a propensity for risk-taking, a drive for accomplishment, and a sense of agency all have positive and substantial effects on entrepreneurial desire, as shown in his research. That is to say, one's intention to become an entrepreneur is heavily influenced by underlying factors like the desire to achieve, where one feels they have control, and how willing they are to take risks. These results emphasize the significance of psychological and individual personality traits in encouraging motivation and preparedness to become entrepreneurs, even if this study found that entrepreneurial knowledge does not significantly affect entrepreneurial intention.

The Influence of Personal Values (X3) on Entrepreneurial Intentions (Y)

The results of the partial statistical test indicate that personal values significantly and powerfully impact entrepreneurial intention through the personal values variable (X3). A computed t-value of 4.536 and a significance level of 0.0001 demonstrate this. This study's findings show that the computed t-value ($4.536 > 1.988$) is higher than the crucial t-value, and the effect of personal values' significance value ($0.0001 < 0.05$) is significantly lower than the stated threshold. Therefore, it can be concluded that personal values are a primary factor influencing an individual's interest in entrepreneurship, indicating that personal values are fundamental in shaping motivation and the decision to engage in entrepreneurship.

This confirms what Dehkordi and Sasani (2012) found when they used the Fuzzy Dematel approach to look at how EQ and personality attributes affected the likelihood that someone will start their own business. Their research looked at how different aspects of personality, such as a drive for success, a willingness to take risks, an internal locus of control, confidence, openness to new ideas, a desire to belong, and intrinsic motivation, and emotional intelligence, which includes qualities like self-awareness, self-control, social consciousness, and relational management, impacted the likelihood that participants would start their own business. Based on the results, the main factor that significantly affects the intention to start a business is the desire for accomplishment. This finding provides more evidence that an individual's intrinsic motivation is a key factor in deciding their entrepreneurial ambitions.

The Influence of Personality (X4) on Entrepreneurial Intention (Y)

The results of the partial statistical test show that there is a positive and statistically significant association between the entrepreneurial intention and the personality trait (X4). As proof, consider the following: a t-value of 3.059 and a significance level of 0.003. This study's findings show that the computed t-value ($3.059 > 1.988$) is higher than the crucial t-value, and the personality effect's significance value ($0.003 < 0.05$) is lower than the predetermined threshold for significance. Therefore, it can be concluded that personality is an important factor significantly influencing an individual's interest in entrepreneurship.

This finding is consistent with previous research conducted by Luthje and Franke (2003), who tested an entrepreneurial intention model among engineering students at a university in Austria. According to their findings, the two most influential aspects of students' personalities on their perspectives on entrepreneurship are their propensity for taking risks and their sense

of internal control. Student attitudes toward entrepreneurship positively correlate with locus of control, suggesting that students who feel they have some say over their life circumstances are more likely to have an entrepreneurial mindset. Additionally, the tendency to take risks was also found to have a powerful influence on students' attitudes, indicating that those more willing to face uncertainty and potential failure have a more favorable view of entrepreneurial activities. Thus, these personality traits indirectly affect students' readiness and willingness to engage in entrepreneurship, underscoring the importance of psychological factors in shaping entrepreneurial intentions among young people.

CONCLUSION

Conclusions drawn from the study and discussions indicate that entrepreneurial intention in Indonesia, particularly among university students in Medan city, falls into the high category. This indicates that most students are intensely interested in engaging in entrepreneurial activities. Furthermore, this study also found that the higher the personal values and personality traits that support entrepreneurship among students, the higher the level of their entrepreneurial intention. These personal values and personality traits include attitudes, motivation, self-confidence, and risk-taking ability, which positively contribute to shaping entrepreneurial intentions. Therefore, it can be stated that the entrepreneurial intention possessed by students already shows a positive and enthusiastic response toward the world of entrepreneurship, which is an important asset in developing entrepreneurial spirit in the future. This also indicates a great potential for the agribusiness sector and other fields to continue to be developed through the active role of these young prospective entrepreneurs.

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