



Analysis the Influence Entrepreneurship Knowledge, Circle of Friends and Economic Background on Students Interest to be Entrepreneur

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Abstract

This research aims to analyze the influence of Entrepreneurship Knowledge, Circle of Friends, and Economic Background on Students Interest in being entrepreneurs. This type of research is quantitative research as a research method and uses multiple regression analysis to analyze data. The subject of this research is students from the Faculty of Economics and Business at the Universitas Muhammadiyah Surakarta, with 120 students as samples. The technique for collecting data uses a questionnaire from google form. The result shows that the Circle of Friends (X2) and Economic Background (X3) have a positive effect on students' interest (Y). Still, Entrepreneurship Knowledge (X1) has not positively impacted Student Interest (Y).

Keywords: circle of friends, economic background, entrepreneurship knowledge, students interest

Introduction

Indonesia is a country that contributes quite a lot of labor sources in various countries, and this is because Indonesia has a relatively dense population. From year to year, Indonesia's population continues to increase. However, for countries with large populations and high unemployment rates, such as Indonesia and several other countries, the available jobs are often too capital intensive, which causes a low level of employment

(Setiaji, 2015). The problem in the life of the nation that is very complicated and worrying at this time is the increasing number of unemployed (Soebagiyo et al., 2017). Unemployment consists of people who are unemployed and looking for work, Residents who do not have a job and prepare a business, and residents who do not have a job and are not looking for work (Amrullah et al., 2020). One of which is the lack of jobs so that the number of unemployed people in



Indonesia also increases. The total population of Indonesia at the end of 2020 has reached around 271,349,889 people. The data is taken based on the population census results in 2020, which recorded that the population has reached 270.20 million people. This result increased 32.56 million people compared to the population census in 2010 (BPS).

The population continues to increase, and a new problem that emerged in 2019, namely Covid-19, has had a negative impact in the form of an increase in the number of unemployed. Not a few companies that went out of business only a few months after Covid-19 entered Indonesia (Rinaldo et al., 2021). The number of companies that went bankrupt due to the stay-at-home recommendation, resulted in a drastic financial decline in the company. They have to reduce the number of employees to save their company. Unemployment is a problem that always occurs globally (Silagadze, 2017). Unemployment may be caused by the number of jobs that are currently not proportional to the number of Indonesians who need work. Unemployment can cause economic problems; the occurrence of unemployment leads to low productivity of goods and services that will ultimately affect incomes and cause poverty problems (Rahayu et al., 2021). Unemployment has a negative impact on the country itself, one of which is stunted economic growth, making it difficult for the country to become a developed country (Kurniasari et al., 2020). Unemployment rates that are too high can also cause political, security and social chaos, thereby disrupting economic growth

and development. The long-term consequence is a decrease in GNP and a country's per capita income (Syamsudin et al., 2015).

Covid-19 has been the leading cause of the increase in unemployment worldwide in the past year. All companies' activities were hampered after government notices for "lockdowns" caused by people exposed to this virus so that the impact was felt for countries with low and medium stages. When Covid-19 hits the urban social environment, it has an impact on unemployment (Bahagia et al., 2020). According to a Central Statistics Agency (BPS) survey in Indonesia itself, covid-19 caused the Open Unemployment Rate, which was initially only 5.23 percent, now to 7.07 percent. In August 2020, the number of unemployed increased by 2.67 million people, and until now, the total has become 9.77 million people in Indonesia who are unemployed. With the impact of Covid-19. Many entrepreneurs have gone bankrupt, but some entrepreneurs choose to innovate. Not only that, some residents who do not have jobs have an Entrepreneurial intentions that choosing an entrepreneurial path rather than working with other people (Nugroho et al., 2021).

Entrepreneurs can be interpreted as a company driver and creating new products by looking at opportunities that may be liked and needed by the community. Entrepreneurship is an action that has a high risk, and there is a possibility that large losses will be experienced (Martin & Omrani, 2019). Entrepreneurs must have a good business character so they can run a business with the best



results (Sari & Rahmantika, 2021). Entrepreneurship is a dynamic process that starts with vision, change and creation that requires a commitment of energy and passion to create and implement new ideas and creative solutions. This concept directs entrepreneurship and employment opportunities among the people (Kurjono & Yolanda, 2022).

Entrepreneurship is a pillar that has a big influence on the economy in a country. Developed countries provide the widest possible business space for these entrepreneurial groups, limited government capabilities make it impossible to provide jobs to all people. Therefore, the role of entrepreneurship is always encouraged to progress and innovate (Mukharomah, 2008). the success of the development of entrepreneurship itself will provide macro benefits, not only for the country, but also for the entrepreneurs themselves (Saputro et al., 2016). When the number of entrepreneurs increases, the number of jobs will increase and reduce unemployment. Recently, Indonesia has created new entrepreneurs and has become a trend among teenagers. With this covid-19, they were able to express their ideas in a business. And of course, the interest in entrepreneurship is motivated by the factors that make them have a strong desire for entrepreneur (Raza et al., 2018).

According to Airlangga Hartarto (2018) One of the characteristics of developed countries is a country that has a high percentage of entrepreneurs. Meanwhile, Indonesia itself is still a developing country because the percentage of entrepreneurs in Indonesia is only about

3.1 percent of the total population. Indonesia has indeed exceeded the international standard percentage of 2 percent. However, Indonesia still has to continue to increase the percentage of entrepreneurs in order to catch up with neighboring countries such as Malaysia and Singapore, which have reached 5 to 7 percent.

Interest in the world of entrepreneur is a person's desire to fulfill their life's needs by creating new things and pouring out ideas without fear of risks that will be experienced with self-confidence. Entrepreneur interest can be interpreted as a strong desire for someone to start a business. Entrepreneurship has been proven to be a savior for the nation's economy when this nation is experiencing a new economic crisis. In addition, it also has a positive value, namely reducing the number of unemployed (Rubiyanto, 2007). Many people have an interest in starting a business, but there is a fear of failure and lack of capital, which in the end they discourage them. Knowledge of entrepreneurship education and training procedures alone is not able to foster an entrepreneurial spirit, if the environment does not support it (Harsono & Budiyanto, 2015). No one can force one's interests, and interests usually arise in oneself, which is influenced by environment, knowledge, and personal (Mambu et al., 2019).

Method

This research using a quantitative method, which means that the researcher aims to determine the relationship between variable of entrepreneurship



knowledge, circle of friends and economic background to the population of student's interest to be entrepreneurs. The sampling technique used in this research is purposive sampling. Purposive sampling is taking samples using specific criteria as responds. The criteria that were sought as respondents in this study were students of the Universitas Muhammadiyah Surakarta in Economics and Business who had taken courses in entrepreneur practice. This research used questionnaire to collecting data. Respondents respond to questions according to what they feel and experience at this time. Data measurements taken in this research are 1-5 Likert scale. The number of representative samples is 120 respondents.

Result and Discussion

1. The Effect Entrepreneurship Knowledge on Entrepreneur Interest

Based on results of the multiple regression analysis on the first hypothesis, Entrepreneurship Knowledge has a probability value of 0.138. Based on the provisions,

H_0 was accepted if the probability is > 0.05 , and H_0 was rejected if the probability value is < 0.05 . The probability value of the Entrepreneurship Knowledge variable (X1) is higher than 0.05 ($0.138 > 0.05$), its mean that the Entrepreneurship Knowledge (X1) variable does not affect the Entrepreneur Interest variable (Y).

2. The Effect Circle of Friends on Entrepreneur Interest

Based on results of the multiple regression analysis on the second hypothesis, Circle of Friends has a probability value of 0.011. Based on the provisions, H_0 was accepted if the probability is > 0.05 , and H_0 was rejected if the probability value is < 0.05 . The probability value for the Circle of Friends (X2) variable is more significant than 0.05 ($0.011 < 0.05$). The variable Circle of Friends (X2) affects to Entrepreneur Interest variable (Y).

3. The Effect Economic Background on Entrepreneur Interest

Based on results of the multiple regression analysis on the third hypothesis, Economic Background, has a probability value of 0.000. Based on the provisions, H_0 was accepted if the probability is > 0.05 , and H_0 was rejected if the probability value is < 0.05 . The probability value for the Economic Background variable (X3) is more significant than 0.05 ($0.000 < 0.05$). The variable Economic Background (X3) affects to Entrepreneur Interest variable (Y).

Conclusion

Based on the results of research on the Analysis of the Variable of, Circle of Friends and Economic Background has a positive effect on Entrepreneur Interest, while Entrepreneurship Knowledge has not positive effect on Entrepreneur Interest.

Based the results of the data analysis and discussions, the limitation of the study is the data collection method only uses questionnaire data, then

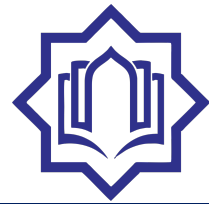


independent variables used have not represented all the factors that influence student interest in entrepreneurship, and the limitations of the sample in this study and the research only were conducted on students of the Faculty of Economics and Business at the Universitas Muhammadiyah Surakarta. Students took entrepreneurship courses so that the study results might differ for students at other faculties and universities.

For Institution, this study shows the results that Entrepreneurship Knowledge does not significantly influence student interest in entrepreneurship. Therefore, Universitas Muhammadiyah Surakarta expect to give more attention to the Faculty of Economics and Business students. For future researchers, the next researcher can increase the number of samples and distribute the questionnaires more widely, so that the taking of research results maximally. Future researchers can use other factor in researching student interest in Entrepreneurial Interest.

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