

Entrepreneurial Literacy, Environment, and Intentions of Indonesian Students to Become Social Entrepreneurs

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ABSTRACT. This research is motivated by the existence of several important points that occur in society. First, most of the existing literature regarding interest in entrepreneurship is of general interest rather than specifically on social entrepreneurship. Several dimensions between literacy and the environment differ quite significantly in various researchers. Furthermore, the interest in social entrepreneurship greatly determines the success of programs run by incubators, accelerators, or communities and the government. This cannot be separated from the existence of solid factors in the success of social enterprises in responding to various societal and environmental problems. This study aims to explain the influence of literacy and the environment on students' intentions to become social entrepreneurs in Indonesia. In this study, the dimensions of social enterprise literacy are added, apart from financial and digital, to become one of the dimensions of this variable. In addition, we will marry off several overlapping dimensions from various other studies so there is a complete definition of the intended environmental variables. In addition, we will develop measurements of entrepreneurial intentions with measures that to Indonesia. This study uses a concurrent embedded strategy model. This model combines quantitative and qualitative research methods simultaneously (together) with greater quantitative weight. In addition to the research output in the form of an Entrepreneurship Book entitled: Social Entrepreneurship: A Challenge and Opportunity, the output of this research is also in the form of articles published in national journals.

Keywords: Literacy, Environment, Social Entrepreneurial Intensity

JEL Classification: L26, L31

INTRODUCTION

Economic matters such as increasing employment opportunities, profits, and increasing market share have become the main focus in the growth of commercial businesses. However, experts, practitioners, and policymakers are starting to shift the main focus of economic growth to the broader motivations related to creating and growing enterprises through social entrepreneurship. (Sarpong & Davies, 2014). A wide range of activities is carried out by social enterprises, including environment, advocacy, and activism (Nicolopoulou, 2015). Compared to commercial enterprises, social enterprises face various complex growth constraints because social enterprises have a dual mission to create economic and social value. Reid and Griffith (2006) argue that, worldwide, social enterprises have the potential to confront and overcome the most complex and challenging problems in society arising from the failure or inadequacy of governments and markets. Minimal resources and environment contribute significantly to the emergence of social entrepreneurial organizations. Social enterprises operate in various fields, including environmental protection and sustainability, regional development, education, health and care services, human rights, and work integration.

Aldi et al. (2019) state that financial literacy affects entrepreneurial intentions. Hasanah and Setiaji (2019) state that digital literacy influences entrepreneurial intentions, apart from self-efficacy and the environment. Both opinions explain that literacy is closely related to a person's desire to become an entrepreneur. As agents of change, students are an essential resource in advancing the world of Indonesian entrepreneurship. Deri (2016) explains that students have the intention to become entrepreneurs. This cannot be separated from the role of entrepreneurship education in universities (Ningsih, 2017). Marzocchi et al. (2012) also state that environmental factors such as support and influence from the environment affect entrepreneurial intentions. Some researchers state that there is a relationship between the environment and entrepreneurial intentions, but it is not that strong. However, Masson and Barraket (2015) explain that there is a strong relationship between the environment and entrepreneurial intentions.

This study aims to explain the influence of literacy and the environment on students' intentions to become social entrepreneurs in Indonesia. There are several essential points why this research is important to do. First, most of the existing literature regarding interest in entrepreneurship is of general interest, not specifically on social entrepreneurship. Several dimensions between literacy and the environment differ quite significantly in various researchers. Furthermore, the interest in social entrepreneurship greatly determines the success of programs run by incubators, accelerators, or communities and the government. This cannot be separated from the existence of strong factors in the success of social enterprises in responding to various societal and environmental problems.

The intention of social entrepreneurship, especially its modeling, needs to be developed. We added the social enterprise literacy dimension, apart from financial and digital, to be one of the dimensions of this variable. In addition, we will also marry off several overlapping dimensions from various other studies so there is a complete definition of the intended environmental variables. In addition, we will develop measurements of entrepreneurial intentions with measurements that are unique to Indonesia.

This research focuses on creating a model of social entrepreneurial intention that is influenced by literacy and the environment. The object of research is students in general in Indonesia. This study will present a review of previous research, which explains the objects and similarities and differences in previous research, researched in Table 1.

Table 1. Summary of Previous Research Reviews

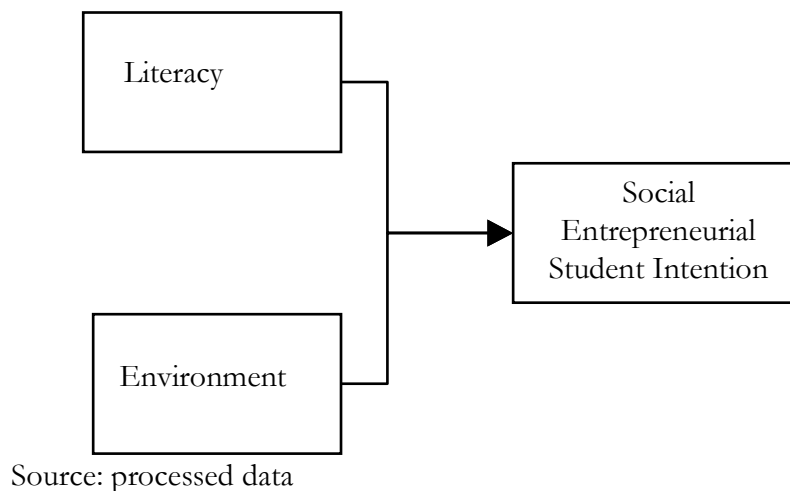
No.	Researcher	Literacy	Environment	Entrepreneurial Intention	Social Enterprises	Student
1	Aldi, Herdijiono, Maulany, and Fitriani (2019)	√		√		
2	Hasanah and Setiaji (2019)	√		√		√
3	Marzocchi <i>et al.</i> (2012)		√	√		
4	Islami (2019)	√		√		√
5	Alisyahbana <i>et al.</i> (2020)	√	√	√		√
6	Solórzano-García <i>et al.</i> (2020)		√	√	√	√
7	Nguyen (2020)		√	√		√
8	Wannamakok, Chang, and Tāk (2020)		√	√		√
9	Georgescu and Herman (2020)		√	√		√
10	Vuong, Phuong, Huan, and Quan (2020)		√	√		√
11	Martins and Perez (2020)		√	√		
12	Aris, Marzuki, Othman, Rahman and Ismail (2018)			√	√	
13	Barton, Schaefer and Canavati (2018)			√	√	√
14	Wu, Liu, Liang (2018)	√		√	√	
15	Liang <i>et al.</i> (2019)			√	√	√

16	Matherne, Bendickson, Santos, Taylor (2020)	√	√	√	
17	Hockerts (2018)	√		√	√
18	Foster and Grichnik (2013)			√	√
19	Ayob, Yap, Sapuan, and Rashid (2014)	√	√	√	√

Source: processed data

Based on all the literature reviews submitted in the research review, this model connects all existing variables and those not carried out in previous studies. Conceptually, the operational variables used in this study are literacy, environment, and social entrepreneurship intentions, especially among students in Indonesia. The influence between variables is determined based on previous research. There are still gaps and differences between the effects of variables resulting in the need to re-examine the effects of these variables in order to provide greater confidence for researchers based on findings from previous researchers. Briefly, the paradigm in this study is presented in Figure 1.

Figure 1. Research paradigm



Source: processed data

METHODS

This study uses a concurrent embedded strategy model, namely a research procedure, combining quantitative and qualitative data to comprehensively analyze the research problem (Sekaran & Bougie, 2016). This model combines the use of quantitative and qualitative research methods simultaneously (together) with greater quantitative weight. Morse (1991) states that quantitative methods are used to obtain primary data, while qualitative methods are used to obtain data to support data obtained from quantitative methods.

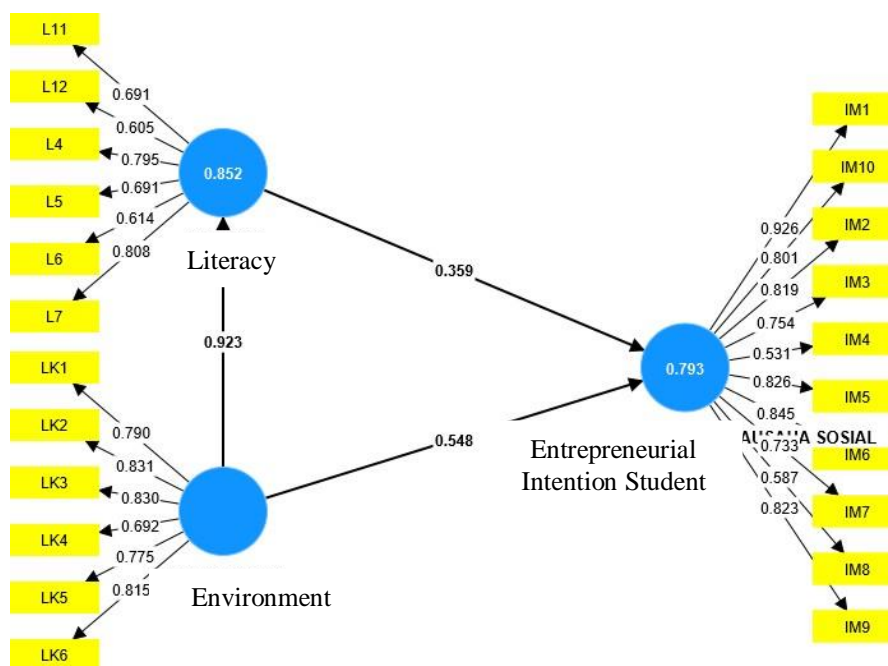
Structural Equation Modeling (SEM)-Partial Least Square (PLS), starting now as SEM-PLS, is used to find the influence between variables in quantitative methods. The NVivo 10 software is used as a tool to process data derived from interviews with open-ended questionnaires from informants, which are ultimately used as supporting data for a more comprehensive analysis.

The population is a collection of objects with the information the researcher needs. The population used is all students in Indonesia who are doing education at strata one, in the final semester, namely at least semester six. In determining the sample unit, there are several criteria used in the study, namely male and female students currently pursuing an undergraduate degree, at least in the 6th semester, studying at tertiary institutions in Indonesia. In general, the sample size will affect statistical power. Sekaran dan Bougie (2016) explained that there are several basic rules in determining the number of samples, namely the number of samples consisting of 30 and less than 500 is a size that is suitable for most studies when the sample is divided into sub-samples, a minimum of 30 samples for each category, in considerable research (including analysis multiple regression) the sample size should be several times larger (usually ten times or more) than the number of variables involved in the study so that the sample size is above 300 to 500 students. The location of this research is Indonesia because the data collection method chosen in this study will cause the data to be spread over a wider area throughout Indonesia. Data was collected by distributing questionnaires online and connected using google.docs.

RESULT AND DISCUSSION

The research was conducted throughout Indonesia with student objects at each representative from State Universities and Private Universities. A questionnaire distribution method was carried out with a quantitative approach to obtain research data. Furthermore, the data that has been obtained is analyzed by SEM using Smart PLS software. In each variable, there are indicators in it. The relationship between variables and their indicators is connected using arrows to show the connectivity. This study uses the Partial Least Squares (PLS) method, an application tool called SmartPLS. The structural model in this study is shown in Figure 2.

Figure 2. Measurement results using SEM



Source: processed data

This research uses SEM-PLS using the SmartPls 4.0 application. The SEM-PLS analysis consists of two sub-models, namely the measurement model or outer model and the structural model or inner model. The measurement model defines how each indicator block relates to its late variable, while the structural model describes the relationship between latent variables based on substantive theory. Testing using Partial Least Square (PLS) can be tested through the Outer Model, Inner Model, and T-test. Individual reflective measures are considered high if they correlate more than 0.70 with the construct you want to measure, but there is a tolerance value where the loading value measurement scale is 0.50 to 0.60 considered sufficient. Loading factor values can be seen in Table 2.

Table 2. Factor loading value in the research model

Indicator	Intention Student Entrepreneurship Social	Environment	Literacy
LK6		0.815	
LK5		0.775	
LK4		0.692	
LK3		0.83	
LK2		0.831	
LK1		0.79	
L7			0.808
L6			0.614
L5			0.691
L4			0.795
L12			0.605
L11			0.691
IM9	0.823		
IM8	0.587		
IM7	0.733		
IM6	0.845		
IM5	0.826		
IM4	0.531		
IM3	0.754		
IM2	0.819		
IM10	0.801		
IM1	0.926		

Source: Result of Processing Data SEM,2022

Then the discriminant validity test can be seen based on the cross-loading value. After identifying various variables from Literacy, Environment, and Intentions of students to engage in social enterprises, Table 3 can be seen related to the value of discriminant validity in the research model.

Table 3. The value of discriminant validity in the research model

Indicator	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Student Intention To Entrepreneurship Social Environment	0.922	0.937	0.936	0.598
Literacy	0.879	0.884	0.909	0.624
	0.795	0.812	0.854	0.497

Source: Results of Processing Data SEM,2022

Table 4. Structural model results

Indicator	Original sample (O)	T statistics (O/STDEV)
Environment -> Intention Social Entrepreneurship Students	0.548	2.737
Environment -> Literation	0.923	4.414
Literacy -> Student Intention Social Entrepreneurship	0.359	1.675

Source: Result of Processing Data SEM, 2022

Hypothesis test

Hypothesis test H1

From Table 5 above, it can be seen that the original sample estimate value of the environment is 0.548 with a significance below 5%, which is indicated by the t-statistic value of 2.737, which is greater than the t-table value of 1.962, meaning that the environment has a positive effect on students' social entrepreneurship intentions. Based on the regression results, it can be concluded that the first hypothesis is accepted. The research results align with Qomariah Imelda & Fitri Amalia (2020).

Hypothesis test H2

The test results can be seen from Table 5 above, the Literacy Value on the Intention of social entrepreneurship students obtains an original sample estimate value of 0.359 with a t-statistic value of 1.675 > 1.962, which means Literacy has a positive effect on the Intention of social entrepreneurship students with a significance level above 5% (significant). Based on the test results, it can be concluded that hypothesis 2 is accepted. Entrepreneurial literacy not only provides theories regarding the concept of entrepreneurship but also shapes the attitude, behavior, and mindset of entrepreneurs. Entrepreneurship education can help students prepare to start a business.

Hypothesis test H3

Furthermore, the third test is carried out by looking at how the influence of Literacy and the environment can positively affect the intention of social entrepreneurship. The test results can be seen from Table 3 above that literacy and the environment have a positive effect on students' intentions to engage in social entrepreneurship with an original sample estimate value of 0.923 and

a t-statistical value of 4.414 which is greater than the t-table value of 1.162, therefore it can be concluded hypothesis 3 accepted. Entrepreneurship education is "The process of transmitting entrepreneurial knowledge and skills to students to help them exploit a business opportunity" (the process of transmitting entrepreneurial knowledge and skills to students to help them take advantage of business opportunities).

Tabel 5. Results R-Square and R-Square Adjust

Indicator	R-Square	R-Square Adjusted
Student Intention To Entrepreneurship Social	0.793	0.789
Literacy	0.852	0.851
Environment	0.852	0.851

Source: Result of Processing Data SEM,2022

The results of the research above show that the R-Square value in the Environment shows a value of 0.852, where the Adjusted R-Square value, or called the adjusted coefficient of determination is an alternative R Square value as a comparison of the accuracy of the effect. In the journal Trisnawati & Fahmi (Trisnawati & Fahmi, 2017), Santoso said that if the regression in the study uses more than two independent variables, this study uses Adjusted R Square in determining the coefficient of determination. So that the environment influences the students' intention to do social entrepreneurship with the evidence of the R-Square value. Thus the R-Square or the coefficient of determination is a simple measure often used to test the quality of a regression line equation (Kusumasari, 2020). It is the same as the second hypothesis, where the total R-Square is 0.852 on the social entrepreneurship intention indicator, where the R-Square value gives an idea of the suitability of exogenous variables in predicting endogenous variables. The environment will experience an indirect strengthening of the formation of social entrepreneurship student intentions if literacy is moderated so that the primary treatment for the formation of social entrepreneurship student intentions is the need to increase literacy by creating self-confidence and career development for student actors in order to realize a strong interest in social entrepreneurship students the strong one.

CONCLUSION

The results of this study also show that the environment and literacy have an influence on students' social entrepreneurship intentions. These results are to Moekasan & Basuki (2007) research, which shows that the environment positively and significantly affects students' social entrepreneurship intentions. If literacy and the environment increase, the intention of social entrepreneurship students will also increase and they will be interested in social entrepreneurship. However, even though literacy increases, it will not always lead to the formation of student social entrepreneurship intentions. So that the formation of students' intentions to social entrepreneurship does not depend on whether the environment is good or bad and the business literacy conveyed.

Research suggestions and less understandable question indicators can make it difficult for respondents to answer consistently, so the results do not follow the hypothesis. Therefore the development of a more standardized questionnaire is needed to analyze the influence of the environment and literacy on students' social entrepreneurship intentions and follow-up studies to find valid results.

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