



Interest in Entrepreneurship Influenced by Family Economic Background

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Abstract

A good economy is needed at this time to start a business, one of which is entrepreneurship. The purpose of this study was to determine the effect of family economic background on interest in entrepreneurship. This research methodology is ex post facto with a quantitative approach. Respondents in this study amounted to 55 students who were taken by total sampling technique. Methods of data analysis in research using multiple regression. The results of this study are as follows; Family economic background affects students' interest in entrepreneurship negatively and not significantly

Keywords: *Interest in Entrepreneurship; Family Economic Background*

Introduction

A good and healthy economy is one of the factors needed in starting a business, especially in entrepreneurship. Entrepreneurial interest is influenced by various factors including personal factors, environmental factors, and sociological factors (Bygrave & Hofer, 1992). Herdjiono et al (2017) family economic background determines a person's interest in starting a business. Interest in entrepreneurship is also influenced by environmental factors, where the family's economic background has an influence that has a good impact on interest in entrepreneurship (Muryati & Zebua, 2020).

Research by Schulze and Gedajlovic (2010) found that family economic background has a significant influence on interest in entrepreneurship. The findings of Wang and Wong (2004) family economic background has an influence on interest in entrepreneurship. Other research has also found that family economic background significantly influences one's interest in entrepreneurship (Pant, 2015; Wiani et al 2018).

Based on the phenomena and various findings, it is known that family economic background has a relationship with interest in entrepreneurship. The purpose of this study was to determine the effect of family economic background on interest in entrepreneurship. so that in the future it can contribute to

individual and government decision-making in implementing economic policies in order to achieve economic growth.

Entrepreneurial Interest

Interest in entrepreneurship is the desire in a person to try optimally to open a business by obtaining the desired income according to the goal (Yusuf & Erwani, 2019). According to Schumpeter (2000) entrepreneur is someone who creates something new that creates a new organization by reading the opportunities that exist and taking advantage of them. The conclusion is that the interest in entrepreneurship is the desire of someone who creates an innovation, a new product or service, creates a new organization that is profit-oriented and is someone who dares to take risks from the course of business.

Entrepreneurial interest is influenced by various factors including personal factors, environmental factors, and sociological factors (Bygrave & Hofer, 1992). Meanwhile, according to Lestari and Usman (2019), the factors that influence interest in entrepreneurship are, 1) intrinsic factors which include the need for income, motives, self-esteem, feelings of pleasure, and attention. 2) extrinsic factors which include family environment, community environment, opportunities, and education.

Family Economic Background

The economic condition is a condition or position that is socially regulated and placed. Svalastoga et al (1989) suggested that there are 2 indexes of characteristics of economic status consisting of occupation and source of income. The economic influence of the family on children will not have an effect when the child is still a child. This will certainly have an effect when the child is a teenager. Usually, parents who have a good economy will send their children to high school or even university. Entrepreneurship can come from the encouragement of a family's economic background that has had a business for generations. Like businesses that have already been successful because of their family's economic background. According to Saiman (2009) family business concerns often overlap, meaning that there is no separation between business talk and family talk. The concerns in question are: family concerns, business concerns, and the need for professional management.

Research Framework and Hypothesis

The Effect of Family Economic Background on Interest in Entrepreneurship

Research conducted by Herdjiono et al (2017) family economic background determines a person's interest in starting a business. Interest in entrepreneurship is also influenced by environmental factors, where the family's economic background has an influence that has a good impact on interest in entrepreneurship (Muryati & Zebua, 2020). Schulze and Gedajlovic (2010) found that family economic background has a significant influence on interest in entrepreneurship. The findings of Wang and Wong (2004) family economic background has an influence on interest in entrepreneurship. Other research has also found that family economic background significantly influences one's interest in entrepreneurship (Pant, 2015; Wiani et al 2018).

H₁: Family economic background has a positive and significant influence on interest in entrepreneurship

Based on various theoretical explanations, research findings, and hypothesis development regarding the effect of family economic background on students' interest in entrepreneurship. So the research framework in (Figure 1) is as follows:

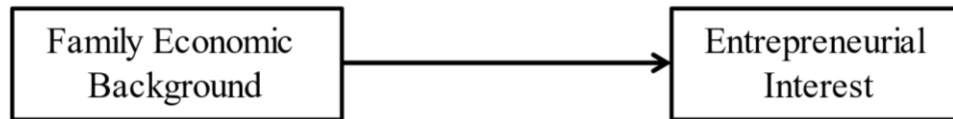


Figure 1. Research Framework

Methodology

This research uses ex-post facto research with a quantitative approach. According to Sugiyono (2015), ex-post facto is research conducted to examine events that have occurred and then trace back to find out the factors that could have caused these events. . While the quantitative approach is data in the form of numbers or qualitative data that is calculated (Efendi et al, 2019). Methods of data analysis in this study using multiple regression. The population in this study were 55 Economics Education Students at the University of Muhammadiyah Bengkulu, the sampling technique was total sampling.

Findings

Table 1 below is the result of multiple regression analysis of research data, with the following research results:

Table 1. Regression Analysis Results

Variable	Koef. Regression (B)	T Statistic	Sig
Family Economic Background	-0.029	-0.101	0.920
Constant	67.648		
R	0.014		
R ²	0.000		
F Statistic	0.010		
Sig	0.920		

Source: Primary data processed

The Effect of Family Economic Background on Interest in Entrepreneurship

Based on the results of the regression analysis, it is known that family economic background has a negative and insignificant influence on the interest in entrepreneurship, shown by the regression coefficient value of -0.029. At a significance level of 5%, it is known that the t value is -0.101 with a significance of 0.920. With these results, the first hypothesis cannot be accepted because the family's economic background has a negative and insignificant influence on the interest in entrepreneurship

Coefficient of Determination R Square (R^2)

The coefficient of determination R Square is used to show how large the percentage of family economic background variables influences the variable interest in student entrepreneurship. The results of the regression analysis show that the coefficient of determination R^2 has a value of 0.000 or it can be said that 0% interest in entrepreneurship is influenced by other variables not included in this study.

Discussion

The Effect of Family Economic Background on Interest in Entrepreneurship

Based on the results of the research that has been analyzed, there is a negative and insignificant effect of family economic background on students' interest in entrepreneurship. This is shown by the value of the regression coefficient of -0.029. At the 5% significance level, it is known that the t-value is -0.101 with a significance of 0.920. So it can be said that the family's economic background has not been able to have a good impact on a student's interest in determining interest in entrepreneurship.

The results of this study contradict Herdjiono et al's research (2017) family economic background determines a person's interest in starting a business. Interest in entrepreneurship is also influenced by environmental factors, where the family's economic background has an influence that has a good impact on interest in entrepreneurship (Muryati & Zebua, 2020). Schulze and Gedajlovic (2010) found that family economic background has a significant influence on interest in entrepreneurship. The findings of Wang and Wong (2004) family economic background has an influence on interest in entrepreneurship. Other studies have also found that family economic background significantly influences a person's interest in entrepreneurship (Pant, 2015; Wiani et al 2018)

Coefficient of Determination R Square (R^2)

The results of this study indicate that there is a negative and insignificant effect of family economic background on students' interest in entrepreneurship. This is indicated by the results of the test results with F test which obtained a calculated F value of 0.010 with an F significance value of 0.920 or $F < 0.05$. The coefficient of determination R Square is used to show how large the percentage of family economic background variables influences the variable interest in student entrepreneurship. The results of the regression analysis show that the coefficient of determination R^2 has a value of 0.000 or it can be said that 0% of family economic background affects students' interest in entrepreneurship

Conclusion

Based on the results and discussion in the research, we can conclude that; Family economic background has a negative and insignificant effect on students' interest in entrepreneurship, whereas family economic background has a 0% effect on asking for entrepreneurship. Together with the limitations this study can be a reference material for further research in the future.

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