

Development of Student Entrepreneurial Orientation Through Human Potential and the University Environment

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ABSTRACT

This study aims to present a detailed empirical investigation of entrepreneurial oriented business students. It examines a new model that explains the strength of entrepreneurial intention when attending an entrepreneurship course with a strengthening university environment. The methodology adopted was an associative study of specific dependent, independent, and moderating variables involving business management students from various universities (387 Indonesian students). The university environment strengthened the use of the six variables of human potential. Further, structural equation modeling (SEM) was used to analyze the data. The results show that the six variables of human potential are effective in building entrepreneurial orientation among students and are more meaningful in a supportive university environment. To be able to actualise human potential, students need to first understand the elements that are embedded in them, as a determination to become entrepreneurs. The author uses the theory of planned behaviour (TPB), which likens entrepreneurial intentions to a human potential that is actualised as a result of certain attitudes, perceived behavioural control, and subjective norms. The effectiveness of entrepreneurship education can be increased by using the results of this study as a guide. Several suggestions are offered about maximizing the actualization of students' human potential, which can be done through stimulants of the benefits and virtues of being an entrepreneur. This study provides detailed and solid results about entrepreneurial intentions that are more measurable and easier to realize. Further, it has essential contributions and implications for the literature on the concept of entrepreneurial intentions and entrepreneurial orientation research in this era of disruption.

Keywords: *Character Strength, University Environment, Student Entrepreneur, Entrepreneurial Orientation.*

1. INTRODUCTION

Facing the current decade of disruption era, students and university administrators need to adapt themselves to the challenges they are experiencing. Disruption challenges often have an impact on the benefits of knowledge and skills gained and often lead to expiration (Christensen, Aaron, & Clark, 2003). This situation is also experienced by business management students who want to become successful entrepreneurs. The gap between knowledge, skills, and needs in business worldwide widens yearly (Kleckner & Butz, 2020). Even though regular adjustments have been made in the educational curriculum through government policies, the results have not been able to fill these gaps meaningfully (Raposo & Paço, 2011). Therefore, students need to continuously make faster and more effective adjustments (Cheng & Adejumo, 2021). Understanding attitudes and environment factors can help university administrators build student entrepreneurship (Ahmed, Klobas, & Ramayah, 2021). Ajzen assumes that intentions depend on perceptions of personal attractiveness, social norms, and appropriateness (Reissová, Šimsová, Sonntag, & Kučerová, 2020).

The challenges of triple disruption in the form of digital, millennial, and pandemics increasingly demand adjustments to the competencies of business students to bring them more in line with market needs and expectations (Kleckner & Butz, 2020), and (Douglas & Shepherd, 2000). The number of business education graduates in developing countries is relatively large. Still, it is difficult to develop creative business ideas in this era of globalization disruption. (Utami, 2017). Role of entrepreneurial attitude in mediating the relationship between entrepreneurial culture, entrepreneurial education, and intention to become an entrepreneur (Wardana et al., 2021).

However, there has been no research on entrepreneurial attitudes that positively express the human potential of business students. The results of the research (Oliveira & Rua, 2018), (Vamvaka, Stoforos, Palaskas, & Botsaris, 2020), and (Abdullah & Saeed, 2019) confirm that the entrepreneurial intention of students has a large impact on their behaviour

(Bagis, 2022). Some studies state that entrepreneurial intention does not directly or entirely influence entrepreneurial orientation (Paço & Ferreira, 2013), and (Anwar, Thoudam, & Saleem, 2021).

Students' strong desire or determination must be built by themselves, even as they try to adapt to the challenges of recent disruption (Peterka, Koprivnjak, & Juric, 2015). The strength of determination of the students referred to in this study is defined as the human potential embedded in a person, ready to be raised and utilized for productive activities. Based on the views of psychologists, human potential is the ability to improve oneself through study and practice until one reaches the limit of one's ability to develop one's talents and skills (Starcher & Allen, 2016). The previous viewpoint on human potential—the "being" camp—and the last view—the "doing" camp—are somewhat substantial. In general, it propagates an endless pliability viewpoint about human potential (Dai, 2020). Human potential isn't estimated by monetary, social, or outside progress. Instead, it is controlled by our endeavors to foster our scholars and consider their individual and profound viewpoints to arrive at our full human potential (Stones & Baker, 2020). The actualization of human potential expresses various virtues and positive characteristics of humans (Höfer, Gander, Höge, & Ruch, 2020).

Human potential is embedded in students in the form of a belief that they can answer future business challenges well, a passion for constantly renewing their competence in terms of an innovative learning spirit (Zahirah, Sidek, Ahmad, & Fakhzan, 2014) and a passion for working hard to answer challenges in the business world as well as business ethos (Bornstein, 2018). It makes them aware of the meaning of business and encourages them to strive to be professional, give their best contribution, and always try to carry out their duties. Maximizing the emergence of human potential requires a conducive environment. The challenge for related parties in higher education today and in the future is to build a university environment (Rania, Siri, Bagnasco, Aleo, & Sasso, 2014) that can raise enthusiasm and encourage the emergence of intellectual, social, and ethical potential for all students. The university environment can be defined as the psychosocial conditions experienced by students in a higher education environment (Bergmann, Geissler, Hundt, & Grave, 2018) These conditions can strengthen the internal environment to actualize human potential in building a more optimal student entrepreneurial orientation (Taatala & Down, 2016), and (Bagis, 2018).

2. RESEARCH METHODS

This study analyzed the data derived from a simple and valid stratified sample of 387 students enrolled in the last two semesters of business entrepreneurship courses. Students at this level were chosen because they understand the academic environment better and are better prepared to evaluate the level of entrepreneurial intention developed during their coursework.

1) Ho: Human potential has no significant effect on student EO

H₁: Human potential has a significant impact on student entrepreneurial orientation

Based on the data test, it is proven that HP (human potential variables) as an independent variable is having a substantial effect on EO (entrepreneurial orientation) as a dependent variable (HP → EO 0.943 11.68 ** Significant).

2) Ho: The environment does not have a significant effect on student entrepreneurial orientation

H₁: The environment has a significant effect on student entrepreneurial orientation

This test shows that ENV in the form of a university environment does not significantly influence EO (entrepreneurial orientation). This also proves that the position of the environment variable is that of a moderating variable (ENV → EO 0.041 0.583 0.56 Not significant).

Then, the moderation test with SEM was conducted. Interaction with the environment variable to find out whether the variable moderates the causal relationship between human potential and student entrepreneurial orientation.

3) Ho: Environment variables do not moderate the causal relationship between human potential and student EO.

H₁: Environment variables moderate the causal relationship of human potential to student EO from the output obtained.

3. RESULTS AND DISCUSSION

The standard multivariate test results indicated that the test statistic value is smaller than 0.5, i.e., 0.5217. It can be concluded that the data of all of the latent variable indicators meet the standard multivariate assumption. Identification was carried out to test whether the variable indicator still has multicollinearity. The output results indicated that the value of the determinant is 0.00; this means the existence of multicollinearity and a moderating relationship. Based on the diagram above, the parameter estimation results of the relationship between latent variables and indicator variables

and the relationship between latent variables using standardized estimates can be seen. The following are the results of the analysis of the Structural Equation Modeling (SEM) that was carried out for this study (see Table 1, Table 2, and Figure 1).

Table 1. SEM Parameter Significance Test.

| Connection | Estimation | t-count | P-value | Description |
|------------|------------|---------|---------|-----------------|
| HP → EO | 0.943 | 11.68 | **** | Significant |
| ENV → EO | 0.041 | 0.583 | 0.56 | Not significant |

Table 2. Moderation Test with SEM Interaction

| Connection | estimation | t-count | P-value | Description |
|-------------|------------|---------|---------|-------------|
| Interaction | 0.005 | 6,949 | **** | Significant |

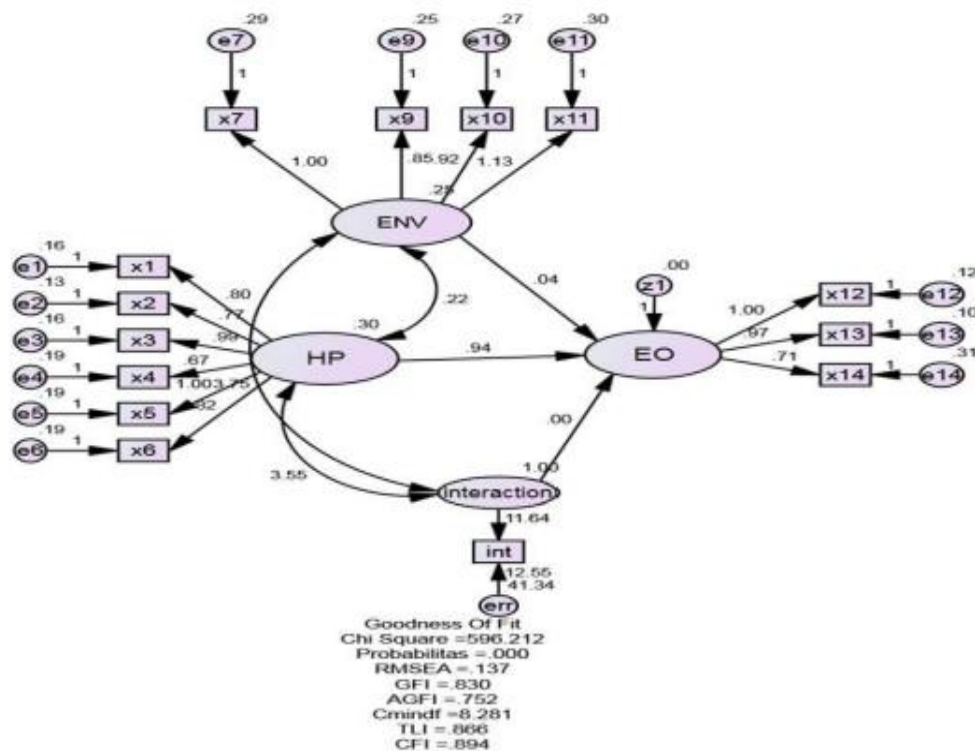


Figure 1 Structural model of actualization human potential

Feasibility test of the model was carried out as presented in the following Table 3:

Table 3. Feasibility test

| Goodness of fit Index | Cut-off value | Model Results | Description |
|-----------------------|---------------|---------------|----------------------------|
| Chi-Square | | 596,212 | Expected small |
| P-value | ≥ 0.05 | 0.000 | Not good fit |
| GFI | ≥ 0.9 | 0.830 | Pretty good (marginal fit) |
| AGFI | ≥ 0.9 | 0.752 | Pretty good (marginal fit) |
| CFI | ≥ 0.9 | 0.894 | Pretty good (marginal fit) |
| RMSEA | ≤ 0.08 | 0.137 | Not good fit |

5. CONCLUSION

Building the entrepreneurial orientation of students with the sub-dimensions of innovation, risk-taking, and proactive behavior can be done by increasing the competence of students' entrepreneurial knowledge and skills. Meanwhile, multiplying the quantity and quality of these student competencies can be done by actualizing students' human potential to become entrepreneurs to the fullest in the form of the power of ideals and enthusiasm. The actualization of the spirit is manifested in the spirit of innovative learning or the spirit of change, the spirit of self-efficacy, the spirit of hard work, and the spirit of inclusive cooperation. Strengthening a conducive university environment and adequate institutional support for an effective higher education internal environment, as a forum for the growth and development of students' human potential. Thus, the actualization of human potential can be an expression of positive attitudes of entrepreneurial students in a conducive university environment, which is very effective in building student entrepreneurial orientation.

Students who can actualize human potential show that the entrepreneurial orientation of students develops sustainably and provides students with the readiness to face the challenges of today's disruption. Therefore, higher education institutions, particularly business schools, should consider human potential as a driving force towards entrepreneurial intentions and the practical implications for developing entrepreneurship curricula. Strengthening the university environment provides faculty and student insights to strengthen sustainable entrepreneurial attitudes and behaviours that emerge in higher education.

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