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## **Family Business Background and Entrepreneurial University Environment Moderating Effect of Intentions to be Entrepreneur on Founding a New Business**

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### **Abstract**

Entrepreneurship is one of the drivers of the national economy, youth and students are the main driving force for forming young entrepreneurs. Our research aimed at examining the students' intention towards action becoming an entrepreneur which is moderated by several factors, namely the background of family business ownership and the entrepreneurial university environment. Data collection by using survey methods, with samples of students in several universities in Indonesia. From January 2020 to April 2020 there were 983 questionnaires sent by email, which apps or Instagram accounts owned by respondents. As many as 983 questionnaires were distributed, only 234 questionnaires returned, and 187 completed questionnaires and can be used. The analysis results showed variable of Perceived Desirability positively and have a significant effect on the intention to be entrepreneurial, while Perceived Feasibility does not have a significant effect on the respondents' intention for entrepreneurship, then the entrepreneurial intention describes the actions taken to implement the intention become entrepreneurs in the future. In the third stage, generate negative moderating effects from a family business background and not significant, as well as the entrepreneurial university environment produces positive but not significant moderating effects.

**Keywords:** Perceived feasibility, Perceived desirability, Entrepreneurial intention, Family business, Entrepreneurial university environment, Entrepreneurial activities.

**JEL Codes:** D1, L31, E37, F64, F65

### **1. Introduction**

The Indonesian government has promoted the Gerakan Kewirausahaan Nasional (GKN or National Entrepreneurship Movement) which is a community movement built from the ground up and from the bottom, so this movement has been formed to have strong growth. It

was among others that make Indonesian entrepreneurs ration which in 2013/2014 was 1.67%, today according to BPS-RI (Central Bureau of Statistics of Indonesia Republic) has increased to 3.1% in 2017 (BPS-Statistics of Indonesia, 2017). The Indonesian government encourages youth, especially students interested in entrepreneurship, to take a credit facility like KUR (business credit for low-level society) that has 9% interest, then LPDB (Revolving Fund Management Institution) with a very low-interest rate of 0.2 to 0.3% per month and other credit facilities. These various lightweight credit facilities are expected to be able to encourage the growth of young entrepreneurs who can provide multiplier effects for society in an effort to open new jobs.

The position of micro to medium enterprises (MSMEs) in the Indonesian economy can be described as a condition that is still weak, which can significantly hinder the rate of economic growth in the country. However, the contribution of these MSMEs to GDP formation has grown in the last five years. The Indonesian Ministry of Cooperatives and MSMEs noted that the role of MSMEs in encouraging National GDP in 2017 was around 57.84 in 2016, increasing to 60.34% in Indonesia's GDP portion. Another impact of SMEs is the opening of business opportunities and the absorption of domestic workers. Absorption of labour in the MSME sector experienced growth from 96.99% to 97.22% in the last five years from 2012 to 2017. Indonesian government efforts that continue to encourage MSMEs through the entrepreneurial intention will encourage crisis prevention, unemployment, and poverty. The specific form of such effort would try to improve a career in entrepreneurship among youth in Indonesia and create favourable conditions and will encourage them to set up and run the company independently (Karpunina et al., 2014).

Entrepreneurship is the main pillar of the nation's economy, especially for developing countries. Entrepreneurship supports national economic growth by becoming a pioneer in the development of technology and innovation, then encourages efficiency and creates new business opportunities and employment opportunities (Shane & Venkataraman, 2000). One focus of the research questions that are often raised is what makes people want to become entrepreneurs? more specifically, what factors encourage someone to become an entrepreneur? This concept is commonly referred to as Students' Intention to be an entrepreneurial (Bird, 1988; Piperopoulos & Dimov, 2015; Fayolle & Gailly, 2015; Saeed et al., 2015; Boyd & Vozikis, 1994). Regarding the desire to become an entrepreneur, Bird (1988) refers to the term intentionality which defines the condition of one's mind that guides the mind toward attention, life experience, and ultimately cause an action on a goal, so that it becomes an intentional behaviour, or by Krueger (1993, 2017) referred to as behaviour that had been planned before.

Youth especially students are very promising groups in this independent business aspect (Shchegolev & Nikolaev, 2014). Entrepreneurship predicate in students can encourage the integration of young people into the business environment, become a successful young executive and increase the economic activity of millennial (Khairuddinova, 2014). As an educated, students have the knowledge as social capital in developing business models, however, even though entrepreneurship education acquired by students is considered important (Westhead & Solesvik, 2016; Premand et al., 2016; Testa & Frascheri, 2015;

Ebewo et al., 2017), but few empirical studies have emerged, different from general education, about perceptions that link to students' intention entrepreneurship (Nowak, 2016; Popescu et al., 2016; Denanyoh, 2015). In the last 10 years, the youth desire to become entrepreneurs is quite strong, supported by the easy access to information as it is today.

For an example of 4,484 students from 32 Russian universities surveyed in 2013–2014 as part of the GUESS the project, around 53% stated their intention to start their own business within five years after graduation (Shirokova et al., 2015a). However, such entrepreneurial aspirations do not always be translated into the actual implementation of business ideas after they graduate. The intention-action gap phenomenon, that is, fails to apply previous intentions (Ajzen et al., 2009; Armitage & Conner, 2001; Orbell & Sheeran, 1998). However, very few relevant studies have been conducted by researchers specifically in the entrepreneurial field (Shirokova et al., 2015b; van Gelderen et al., 2015). Little or even no studies have been found in Indonesia. The use of variable education is quite a lot, but only a few special entrepreneurship education, especially at the level of higher education (Byabashaija & Katono, 2011), so there are still many opportunities to examine entrepreneurship special education towards entrepreneurial intentions.

Intention to have an independent business and its implementation depends heavily on personal characteristics (Liñán & Fayolle, 2015). Meanwhile, the external environment also plays an important role, because it affects individual behaviour including their involvement in entrepreneurship (Rauch, 2014). Such assumption is based on the concept of "stickiness perspective" that links people actions to the social relations system and the context in which they are located (Welter & Xheneti, 2013; Welter & Smallbone, 2011). The research aimed at examining the impact of influencing factors on the university students context in Indonesia who move from the doing business independently intention to take action start a new business. The research authenticity is laying on the use of intentions and elaboration of planned behaviour theory (Ajzen, 1991) by identifying the reasons for this success, which was inspired by the theory of entrepreneurial cognition, the researcher develops this reason to include Perceived Feasibility and Perceived Desirability in the combination of this research model, based on the concept in the theory of entrepreneurial cognition or entrepreneurial cognition theory, namely the existence of heuristic-based logic that is affected by past experiences, an individual can solve problems or achieve goals that do not yet have a standard formulation (Busenitz & Lau, 1996; Busenitz & Barney, 1997; Mitchell et al., 2002).

The first part of this paper presents the theoretical basis and derives hypotheses from various relevant theoretical and research perspectives. Furthermore, the methodology used will be presented, describing the results of data analysis, and discussion of the result. The last section formulates conclusions, showed the study limitations, and outlines some recommendations for future research related to entrepreneurial research.

## **2. Theoretical framework and hypothesis**

Planned behaviour theory was originally named Theory of Reasoned Action (TRA), developed in 1967, then the theory continues to be revised and expanded by Icek Ajzen and

Martin Fishbein. According to the planned behaviour theory (Ajzen, 1991), states that intentions targeted by individuals will usually be initiated by intentions, which are influenced by the following elements: (1) Personal attitude towards relevant activities; (2) Behavioral control is perceived based on individual perceptions of how easy or difficult their plans will be; and (3) Subjective norms are determined by the opinions of others, which can encourage or prevent one individual from implementing the plan.

Ajzen (2005) suggests that attitudes towards this behaviour are driven by the belief that there is an impact on these behaviours or commonly called "behavioural beliefs". Beliefs can be associated with subjective judgments of an individual on the reality he/she faces, his understanding of himself, others and his surroundings. This premise can be formed by connecting behaviour with benefits or losses that might be obtained by the person concerned if he/she does this behaviour.

Intention serves as a liaison between the above factors, the bridge to carry out actions and achieve the desired goals (Armitage & Conner, 2001). Intention formation mechanism still becomes the focus of researchers attention who specializes in entrepreneurship (Bird, 1988; Heuer & Liñan, 2013; Krueger, 2017). Correlation between entrepreneurial intentions and the real actions they take, empirically confirms the provisions of planned behavioural theory (Kautonen et al., 2013, 2015; Liñan & Fayolle, 2015; van Gelderen et al., 2015). For student entrepreneur, this correlation is valid as for older age groups (Shirokova et al., 2015a). Being in career choice situation forces the students who intend to become entrepreneurs to start doing something about it while on the other hand they still continue their studies, to lay the foundation for their business's future growth. Based on the above descriptions, it can be proposed the following hypothesis 1: *Entrepreneurial intentions that have been planned to influence the action of becoming an entrepreneur (Entrepreneurial Activities).*

Research of entrepreneurship requires a theory of how to explain phenomena or explain the interrelationships between concepts, both those that explain the concepts of personality, business strategy, and microeconomic theory. Each of these concepts can contribute. The first, economic theory about entrepreneurship is how to see that entrepreneurship can contribute to the creation of new jobs and business opportunity (Drucker, 2014; Low & MacMillan, 1988; Toma et al., 2014; Edoho, 2016; Rumelt, 1987), indeed this economic theory is useful in assisting in identifying entrepreneurship and its effects, but unable to answer micro questions how psychology is in managing a business, how to technically manage a business and various obstacles that might arise in business activities.

Second, In the last 50 years, research models based on psychology, sociology, personality and behaviour (McClelland, 1965; McClelland, 1987; Coulton & Udell, 1976), have presented personality factors and behavioural factors as determinants in the formation of new businesses and contribute to the development of the spirit and entrepreneurial spirit, especially for beginner and youth entrepreneurship (Tipu & Ryan, 2016; Rokhman & Ahamed, 2015; Contreras et al., 2017; Baluku et al., 2016), but to form a standard model that psychological and personality factors as the main determinants of entrepreneurship formation are still weak, insignificant and have not been the perfectly consistent result.

Various results of organizational and strategic management research, attention for 20 to 30 years is more focused on improving business performance that is highly dependent on the performance of the businessman, commonly referred to as organizational performance-based research (Sandberg & Hofer, 1987; McDougall, 1989; Kunkel, 1991; Shane & Venkataraman, 2000). Until the beginning of 2002, when marketing patterns began to change or have undergone a transformation from the manual era to the digital era, changes in research began to appear, where the online-based performance began (see online performance-based research).

Entrepreneurship is not only seen as an effort to create new business ideas, but also illustrates how psychological effects can build business confidence through experience and education, and the need for precise strategies to develop it. Entrepreneurship can play a role as an art of developing teamwork, creating innovation and meeting the needs of goods and services for the market (Mitchell, 2002). In this regard, Theory of Entrepreneurial Cognition states that heuristic-based rational thoughts are affected by the belief of scientific thought, a specific and systematic method that fosters experience in human beings as basic capital in decision-making that has no formula (Busenitz & Lau 1996; Busenitz & Barney, 1997).

The influence of perceived desirability (as an intention to do something) and perceived feasibility (as a condition of whether or not a business plan is feasible) on the desire become entrepreneurs is built based on several previous studies from various researchers who concerned with entrepreneurial intentions (Krueger, 2017; Saeed et al., 2015; Zapkau et al., 2015; Henley et al., 2017; Karimi et al., 2016; Fuller et al., 2018). This research has shown that the perceived desirability and the perceived feasibility are significant driving factors for entrepreneurial intention.

The concept of Perceived desirability and perceived feasibility according to Shapero & Sokol (1982) is essentially an initial step to form an individual plan to start a new business, although they do not explicitly use the concept of intention. The view of Shapero & Sokol (1982) is supported by Ajzen's (1991) planned behaviour theory, which argues that attitudes toward action (which is proxied by the concept of perceived desires), subjective norms and behavioural control (represented by the concept of feasibility perception) are influential factors on the intention to become entrepreneurial (EI), specifically associated with students. Besides, the TPB model has been repeatedly tested empirically (Krueger, 2017; Henley et al., 2017; Karimi et al., 2016), the results of this study provide insights with very clear and complete argumentation on the pattern of the relationship between Perceived desirability (as an attitude towards action) and perceived feasibility (as subjective norms and behavioural controls) towards the intention of managing and establishing own business. Based on that argument, we propose the following hypotheses 2 and 3: *Perception Desirability encourages an increase in the intention of entrepreneurship and Perceived Feasibility increases the intention of entrepreneurship.*

The family business is derivative, both natural derivatives (genes), then parents coercion to continue the business, then derivatives in the form of examples and even derivatives of assets and capital. Business ownership by a family can greatly determine student career choices. This condition will encourage a person to follow his parents' career path and start a business

independently (Slavtchev et al., 2012). Parents can be role model for students in continuing careers (Chlosta et al., 2012). People who come from families that own business tend to have higher quality human and social capital formed by the experience, skills, and knowledge needed to manage a business that is followed by their parents, by participating in family company management (Lentz & Laband, 1990; Mueller, 2006). This condition becomes an absolute advantage of someone who wants to continue business independently (entrepreneurship).

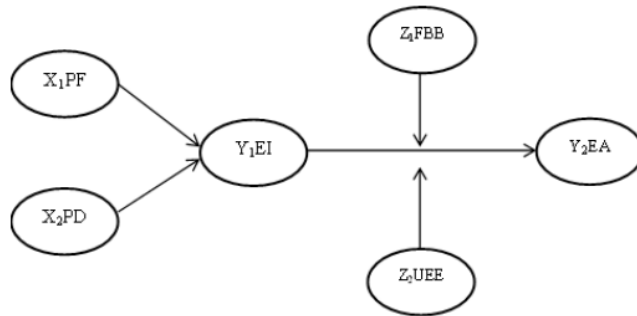
Such students often feel more confident in moving that previously just entrepreneurial intention become action, which ultimately increases the likelihood of creating new business (Shirokova et al., 2015b). In addition to this encouragement, some pieces of evidence state that since childhood these children have been involved in their parents various business activities, especially family-run services, trade, and industry. In addition to developing human resources, business owners can help their children to find and acquire resources necessary to realize the intentions.

One of the driving factors to run independent businesses is capital and assets. This has become quite dominant in big cities, especially in trade and industry. Thus, the business that is owned parent serves as a source of financial support for the children (Dunn & Holtz-Eakin, 2000) and gives them access to social capital, namely network of partners, suppliers, investors and customers (Slavtchev et al., 2012). Non-monetary capital support like this becomes the next driving factor, which is dominantly attracting more individuals into business and will provide success evidence. Thus, hypothesis 4 can be arranged as follows: *Students with the background having family business strengthen their intention to become entrepreneurs (Entrepreneurial Activities).*

Since the early 2000s, several universities have declared themselves as universities that support entrepreneurial programs. This support will indirectly encourage changes in students mindset who will be entrepreneurs. Regardless of the family environment, students create their own business also influenced by the university context (Shirokova et al., 2015b). Prospective entrepreneurs with student background spend most of their time in study place, so the academic environment significantly influences their disposition to certain activities.

University that has an entrepreneurial program (entrepreneur university) certainly has many entrepreneurial initiatives. Such initiatives include special programs, for example, entrepreneurial courses and seminars designed to give students basic knowledge and skills needed to run a business (Shirokova et al., 2016; Klofsten, 2000). Educational initiatives are aimed at improving the quality of human resources, to compensate the students lack experience as novice entrepreneurs (Zhao et al., 2005). University-based business incubators and accelerators, whose members (students) receive an opportunity to quickly turn their ideas into reality, find investors and seek practitioners support, also play important role in transforming entrepreneurial intentions into entrepreneurial actions (Hughes et al., 2007). Universities can change into a social capital source for young entrepreneurs, through mentoring programs, seminars and training events involving expert and experienced entrepreneurs, are designed not only to give knowledge and useful skills but also to expand the business network of the students (Nielsen & Lassen, 2012; Boh et al., 2016; Hayter, 2016;

Burciul & Kerr, 2018; Shirokova et al., 2018; Terjesen et al., 2016; Bruton et al., 2015; Sequeira et al., 2007). Based on the above thoughts, it can be proposed the following hypothesis 5: *Indonesian students who come from universities with a good entrepreneurial environment will strengthen their intention to become entrepreneurs (Entrepreneurial Activities).*



**Figure 1. Research model**

*Explanation = X1 (PF as Perceived Feasibility), X2 (PD as Perceived Desirability), Y1 (EI as Entrepreneurial Intention), Z1 (FBB as Family Business Background), Z2 (UEE as University Entrepreneurial Environment), Y2 (EA as Entrepreneurial Activities).*

### 3. Method

#### 3.1. Data and samples

Data were collected using the survey technique, which consists of students in several leading universities in Indonesia. Data collection used an authoritative instrument which aims to gain students aspirations by considering factors such as family support, university environment to have an entrepreneurial intention and realize their intentions into entrepreneurial activities.

Questionnaires distribution mechanism by using mail survey or electronic survey to students at several universities in Sumatra Island (UNSYAH, UNSRI, USU), Java Island (IPB, UI, UGM, UB, UNDIP), Kalimantan Island (UNMUL, UNTAN, UNLAM), Sulawesi Island (UNHAS, UNTAD, UNSRAT), Nusa Tenggara Island (UNRAM), Maluku Island (UNPATI) and Papua Island (UNCEN). Sample selection by Instagram account or faculty or university that is published. During January 2020 to April 2020 there were 983 questionnaires sent by email, WhatsApp (WA) or Instagram accounts owned by respondents. From the 983 distributed only 234 questionnaires were returned and only 187 questionnaires were completed and could be used.

#### 3.2. Variable measurement

The questions are designed related to perceptions of desires and perceptions of feasibility, which come from strong sources. The questionnaire used refers to Shapero (1984), then Shapero & Sokol (1982), and studied by Krueger (1993), Cooper et al. (1986), and Krueger



(2017). The independent variable Perceived Desirability is based on three questions: Perceived Desirability PD (1) how far do you want to have a new company or a new business ?; PD (2) How much is your passion for building this new business ?; and PD (3) How much is your enthusiasm for the plan to open a new business? Each response received by respondents will be assessed on a Likert scale, start from 1 (the lowest score) to seven 7 (the highest score). Use the final value or score by calculating the average for all questions. The variable Perceived Feasibility method of measurement is same, using three questions: PF (1) how difficult is it to open and manage a new business ?; PF (2) how much of your belief will be your success ?; PF (3) how much do you believe in yourself?.

The intention of entrepreneurship of a student is to explore students' perceptions of their "readiness to become entrepreneurs", "entrepreneurs are the main goals of their lives", "steps to become entrepreneurs" and "intentions and desires". Variable The intention of entrepreneurship of a student develops an instrument compiled by Liñan & Chen (2009). Statements related to entrepreneurial intentions use a scale of 1 (totally disagree) to 7 (fully agree)., " I am willing to do all the things that deserve to be an entrepreneur ", "I have the main goal in life being an entrepreneur", " I will maximize my professional ability to start a new business ", "I have a strong intention to create a new business in the future ", " I am very serious about exploring a new business someday ", and "I intend to seriously start a new business after I finish college". The endogenous variable of action become entrepreneur (Entrepreneurial Activities) is measured by the type of nominal data, number 1 if you have independent data, otherwise is 0 (Liñan & Chen, 2009; Bogatyreva & Shirokova, 2017).

One of the study goals is the presence of moderating variables that moderate the students' intention and their actual involvement in business activities, the moderating variables used were: coming from families that own business (FBB) and university environment (UEE). Family Business Background Variable is measured by nominal data type, number 1 if continuing the family business, others 0. The university entrepreneurial environment is assessed by students by using scale 1 (totally disagree) to 7 (fully agree) to evaluate the following statement: "The lecture process at my university is very inspiring for me to develop ideas and innovations to start a new business ", " There is a favourable academic climate on campus, to become an entrepreneur", "The students are encouraged to be involved in various entrepreneurial activities that incubate students to become entrepreneurs " (Franke & Lüthje, 2004).

#### **4. Result and discussion**

The research hypothesis is analyzed using three steps logistic regression. To exclude heteroscedasticity, strong standard errors are used in all three stages of testing. Hypothesis testing results are presented in Table 2. The first stage testing the logistic regression of perceived desirability and perceived feasibility impacts on students' intentions to be entrepreneurial. The analysis showed Perceived desirability influence positively and significantly on students' entrepreneurial intentions ( $b = 0.067$ ,  $p = 0.034$ ), while the

Perceived Feasibility did not have significant impact on intentions to be entrepreneurial of students ( $b = 0.114$ ,  $p = 0.129$ ).

**Table 1. Descriptive statistics**

No.	Variables	Mean	Standard Deviation
1.	Perceived Desirability	5.45	1.123
2.	Perceived Feasibility	4.98	1.094
3.	Entrepreneurial Intention	-	-
4.	Family Business Background	-	-
5.	University Entrepreneur Environment	5.67	1.072
6.	Entrepreneurial Activities	-	-

Source: Compiled by the author, statistical analysis results

At the second stage, the main effect of direct relationship between students intention and participation in entrepreneurial activity produced coefficient ( $b = 0.432$ ,  $p < 0.041$ ), and direct relationship of moderating variables produced positive effect on family business background coefficient ( $b = 0.346$ ,  $p = 0.023$ ), and there are negative impacts of university entrepreneurial environment with coefficients ( $b = -0.128$ ,  $p = 0.013$ ). At the third stage, testing the moderating effects. The results of the moderating variable test produced negative moderating effects from a family business background and not significant ( $b = -0.075$ ,  $p = 0.178$ ), as well as university environment produced positive but not significant moderating effect ( $b = 0.126$ ,  $p = 0.213$ ), thus this study accepts Hypothesis 1 and Hypothesis 2, but does not support Hypothesis 3, 4 and 5.

The analysis results showed that entrepreneurial intention describes the actions taken to implement it in the future. The results are in line with the planned behaviour theory (Ajzen, 1991) which implies a direct relationship between intentions and actions taken to implement them. Our results confirm the theory validity regarding the transition from the entrepreneurial aspirations to starting and running an independent business by students as new entrepreneurs in Indonesia. Entrepreneurial intention usually takes a long time, full consideration and changes along with input and information received. This conclusion is in line with most relevant researches (Kautonen et al., 2013, 2014; Liñán & Fayolle, 2015; Shirokova et al., 2015; Bogatyreva & Shirokova, 2017; Edelman et al., 2016).

At the same time, the planned behaviour theory (which was developed primarily to explain the intention formation mechanism) does not fully explain the gap between intention and action, namely situation in which intentions that are expressed not actually realized. Our test results showed that transition from the first to the last is influenced by context, by factors that can increase or reduce the transition likelihood. Students who are considering an entrepreneurial career and come from families who have a business are rather unaware that intention. This finding contradicts with an initial hypothesis about the family business role in this process. There may be some possible explanations. First, people who come from families who have businesses can realize their entrepreneurial aspirations not only by creating their own company but also by becoming the successor in the family business. Students who have business background tend to be children of the have family, possess assets and tend to be

spoiled, so the effort intention is reduced. Other research (Coulton & Udell, 1976; McClelland, 1965, 1968), explains that adolescent success can be driven by psychological factors. A person can succeed if there is an urge to succeed, not just the parents ability, or continue the family business.

**Table 2. Regression analysis results**

No.	Variable	Stage I	Stage II	Stage III
Direct Effects				
1.	Perceived Desirability → EI	0.067*		
2.	Perceived Feasibility → EI	0.114**		
Direct Effects				
3.	Entrepreneurial Intention → EI		0.432*	
Moderating effect				
4.	Family Business * → EI → EA			-0.075**
5.	University Environment * EI → EA			0.126 **

*Explanation:* \*Sig at 0.05, \*\*Sig at 0.01

*Source:* Compiled by the author, statistical analysis results

In previous studies, many considered that adolescent whose parents had business background be considered as a key predictor of business independence (Hsu et al., 2016; Wang et al., 2018; Shirokova et al., 2016; Henley et al., 2017; Herman & Stefanescu, 2017). Children who see how their parents or family manage a business will also easily take an example of managing the business. This experience according to Edelman et al. (2016) is an important matter as a first step in developing a business spirit, but this study has conflicting results. It provides a valuable lesson that entrepreneurs who are just starting a business, can take many strategic steps, which can partially explain the negative correlation between adolescents who come from families that own business and take action to implement entrepreneurial intentions. Another factor that may affect the lower level of Indonesian students who come from families who have businesses realize their entrepreneurial intentions may have doubts about the entrepreneurs' prospects in Indonesia, reinforced by the practical experience of their families.

The test results showed insignificant influence between university environment that supports entrepreneurship can have an impact on students to become entrepreneurs. Although the university provided various support for entrepreneurship, the overall existing social assets and capital require further development (Karpunina et al., 2014). However, there are important things that the university has been providing long-term capital in entrepreneurship development for students (Bokov et al., 2011; Ivashchenko et al., 2014). The various efforts made by universities, which cover various fields of university activity in the form of academic initiatives, and creation of innovation centres, commercialization of research results, expansion of funding sources, promotion of entrepreneurial culture and good business environment, and active cooperation with business community members (Ivashchenko et al., 2014; Konstantinov & Filonovich, 2007; Tappaskhanova et al., 2014). Such programs are

actually trying to change students mindset from being employee become an independent entrepreneur.

## 5. Conclusion and limitation

We used the planned behaviour theory an effort to test the intentions and desires of student entrepreneurship which are moderated by two factors, namely family background that has independent business and university program support. The research results showed that both driving variables did not produce moderating effects, means that they did not push entrepreneurial intention to become a reality. However, in order to encourage intentions, it turns out that the perceived desirability is very dominant, encouraging the students' intention to become entrepreneurs. Strong desire from an individual becomes a strength and encourages enthusiasm, encouraging enthusiasm to become an independent entrepreneur.

Our research has a limitation, such as cross-sectional data are used in the form of intention power and entrepreneurial action is taken to create new business measured only at one point of time, do not give an opportunity to assess the change dynamics in the future<sup>1</sup> Because intentions tend to change, the explanatory function that appears usually decreases with time (Sutton, 1998). Therefore, the role of various factors that influence the intention-action transition is the main research focus. However, possible areas for studying the relationship between intentions and entrepreneurial activities in the Indonesian context can be found in a study done in several stages (longitudinal study). In this research, we used students as a sample, did not try samples outside of students that also young that more focused on establishing independent businesses. For researches in the future, able to examine factors that influence the entrepreneurial intention transition<sup>2</sup> from different social groups. Also, our analysis results are only relevant to the Indonesian context.

## Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

## Funding

N/A.

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