

Mediating Role of Entrepreneurial Attitudes in the Relationship between Adversity Quotient, Self-Efficacy, and Entrepreneurial Intention

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ABSTRACT---This study aim to find mediation effect of entrepreneurial attitudes on relationship between adversity quotient, entrepreneurial self efficacy and entrepreneurial intention. Using part time undergraduate students as sample that currently are juggling with work demand and academic pressure. The result shows that entrepreneurial attitudes are partially mediates both relationship between adversity quotient, entrepreneurial self-efficacy and entrepreneurial intention. Students who like challenges and always looking for new ways to develop are more likely to become entrepreneurs

Keywords---Adversity Quotients, Entrepreneurial Self efficacy, Entrepreneurial intention, Entrepreneurial attitudes

I. INTRODUCTION

Planned of behavior theory, by Ajzen (1991; 2011), explains that Entrepreneurial intention comes in stages. Before the intention occurs, first, the individual possess motivation or the desire to create something, which encourages the individual to succeed. These people, who strive for high achievement, are brave in making the decisions they have made.

Self-efficacy is a condition in which individuals with high self-efficacy will have high intentions to progress through entrepreneurship. The stronger the self-efficacy a person has, the higher the individual's ability to achieve. Self-efficacy is a belief that a person can master a situation and produce various positive things (Esnard-Flavius, 2010). An intention is needed as the initial step in starting entrepreneurship. Crant (1996) explain an entrepreneurship intention is a thought that encourages individuals to create businesses. Intention is a person's particular desire to do something or some action, which is the result of a conscious mind that directs one's behavior (Chin and Hung, 2013).

Adversity quotient (AQ) and Entrepreneurial self-efficacy (ESE) are psychological factors that need to be developed to enhance Entrepreneurial intention. The adversity is the ability to face difficulties and turn them into opportunities (Ablaña et al., 2016 and Prasittisrisakul et al, 2017). Therefore, students need AQ to rise their motivation in entrepreneurship so that they can turn constraints into opportunities for success. In starting a new business, students commonly find it difficult to manage their business. As a result, they feel depressed and this will cause despair. The condition will be different if they have strong AQ in themselves. Conversely, the difficulties faced will be a trigger to strengthen their determination and intention in entrepreneurship.

Hence, this study focuses on looking at the effect of Adversity Quotient and Entrepreneurial Self-Efficacy on Entrepreneurial Intention mediated by Entrepreneurial Attitude on students who are currently also as a working employee.

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II. LITERATURE REVIEW

Entrepreneurial Intention

According to Souitaris et al (2007), "entrepreneurial intentions can be interpreted as a process of finding information that can be used to achieve the goals of forming a business". According to Ferreira, (2012), "intention is a component in the individual who refers to the desire to do certain behaviors". Krueger et al (2000) mentions "intention is a fundamental element that can explain a behavior". Ajzen, and Madden (1986) reveal that "as a predictor of behavior, intention is seen as a motivation that is indispensable when someone is going to perform a certain behavior". Altinay et al (2012) explain that "intention is a successful predictor of behavior because it bridges attitude and behavior". Furthermore, Barba-Sánchez et al (2018) state that "intention has proven to be the best predictor of entrepreneurial behavior".

Brockhaus (1975) explain that "intention can be used as a basic approach that makes sense to understand who will become an entrepreneur". Bosma et al (2012) argues that: Intention is a determination to carry out certain activities or produce a certain condition in the future. Intention according to him is a vital part of individual self regulation which is motivated by a person's motivation to act.

Individual (Adversity) Quotient

The term adversity quotient is taken from a concept developed by Paul G. Stoltz, Ph.D., president of PEAK Learning, Inc., a consultant in the professional field and skill-based education (Tian and Fan, 2014). The concept of intelligence (IQ and EQ) that currently exists is considered insufficient to become one's capital to success, therefore, Stoltz then develops a concept about adversity quotient.

Adversity in an English dictionary means misery and misfortune, while quotient is defined as ability or intelligence. Meanwhile, according to Stoltz, adversity quotient is the ability that a person has in observing difficulties and processing these difficulties with the intelligence they possess so that it becomes a challenge to resolve (Prasittisrisakul et al 2017).

Entrepreneurial Self-Efficacy

Entrepreneurial Self-Efficacy is related to the establishment that a person can perform the behavior that is required successfully; people who believe they have the capacity to do (high self-ability) and tend to act well. So, it reflects the perception of a person's ability to do a particular job or set of tasks. High self-efficacy produces better initiative and perseverance, thereby increasing performance; in contrast, low self-efficacy will reduce effort, thereby reducing performance. Of course, people who have high self-efficacy think differently and behave differently when compared to people who have low self-efficacy (Esnard-Flavius, 2010).

The Relationship between Adversity Quotient and Entrepreneurial Intention

The relationship between Adversity Quotient and Entrepreneurial Intention (Vocational High School) students in business and management majors in this study showed a positive and significant results. Students who have high Adversity Quotient have high Entrepreneurial Intention; an entrepreneur with high AQ has the ability to take risks, control situations, not give up easily when facing difficult times, have the determination and confidence to run a new business (Chen, et al, 2016).

The Relationship between Entrepreneurial Self-Efficacy and Entrepreneurial Intention

The relationship between Entrepreneurial Self-Efficacy (ESE) and Entrepreneurial Intention on students in business and management majors showed positive and significant results. Students who have high ESE feel confident in their ability to do tasks and carry out actions in entrepreneurship. Self-efficacy has an effect on students' intentions in four processes, namely cognitive, motivational, compassion, and selection processes. From this process, they will make the entrepreneurial intentions will become stronger. Therefore, ESE in education is very important in influencing and encouraging entrepreneurs who have the potential to start their new business (Chen, et al, 2016)

The Relationship between Entrepreneurial Attitude and Entrepreneurial Intention

The relationship between Entrepreneurial Attitude and Entrepreneurial Intention shows a positive and significant result students in business and management majors. Students who have entrepreneurial attitudes have a positive contribution to entrepreneurial intentions. Because student attitudes determine their actions before they start a business. In other words, students who have entrepreneurial intentions can be identified from their attitudes that show that they are interested in entrepreneurship. Attitude arises because of stimulation of external factors, for example stimulation of educational programs, especially entrepreneurship education programs. The response to a stimulus that will be an evaluative consideration of a positive or negative personal judgment to become an entrepreneur. The role of education is able to build entrepreneurial awareness among students as career choices and to encourage favorable attitudes in entrepreneurship. Therefore, attitudes towards entrepreneurship are an important factor in deciding whether or not to become an entrepreneur (Chen, et al, 2012)

The Relationship between Adversity Quotient and Entrepreneurial Intention Through Entrepreneurial Attitude

The results of the analysis show that adversity quotient has a positive and significant relationship with entrepreneurial intentions through entrepreneurial attitudes among students in business and management majors. High or low AQ can change in any situation. Students who often experience difficulties tend to have strong AQ in entrepreneurship, so students who have strong AQ tend to be ideal entrepreneurs, as thinkers who always think of possibilities and never allow hardships to hinder the entrepreneurial process. The attitude shown to students as above is that they like challenges, they can motivate themselves, always looking for new ways to develop and be the best and contribute to themselves and the organization. This shows that students who have high AQ are more likely to become entrepreneurs (Chen, et al, 2012)

The Relationship between Entrepreneurial Self-Efficacy and Entrepreneurial Intention through Entrepreneurial Attitude

The results of the analysis show that Entrepreneurial Self-Efficacy has a positive and significant relationship with entrepreneurial intentions through entrepreneurial attitude among students in business and management majors. High ESE will influence students to strengthen their intentions in entrepreneurship. Finally, they will show an attitude that reflects their intentions, and will produce positive behavior in entrepreneurship. ESE builds students' confidence in their abilities in entrepreneurship. Through education, their ability will be more focused in achieving goals; students can identify efforts and creative thinking with the support of entrepreneurial education in shaping attitudes to make entrepreneurial intentions into action (Chen, et al, 2012).

III. RESULTS AND DISCUSSION

The effect of Advisery Quotient (X1) and Entrepreneurial Self Efficacy (X2) on Entrepreneurial Attitude (Z) is significant with influence coefficients of 0.309 and 0.513; both significance values are $0.000 < 0.05$. Advisery Quotient (X1) and Entrepreneurial Self Efficacy (X2) on Entrepreneurial Intention (Y) is significant with an influence coefficient of 0.152 and 0.186 and a significance value of 0.040 and 0.024 < 0.05 . Entrepreneurial Attitude (Z) on Entrepreneurial Intention (Y) is significant with an influence coefficient of 0.538 and a significance value of $0.000 < 0.05$.

From those result it can be concluded that Entrepreneurial Attitude (Z) partially mediates the influence between Advisery Quotient (X1) on Entrepreneurial Intention (Y). Based on these results, Advisery Quotient (X1) influences Entrepreneurial Intention (Y) through Entrepreneurial Attitude (Z), is acceptable. It is also can be concluded that Entrepreneurial Attitude (Z) partially mediates the influence between Entrepreneurial Self Efficacy (X2) on Entrepreneurial Intention (Y). Another result is that Entrepreneurial Self Efficacy (X2) has an effect on Entrepreneurial Intention (Y) through Entrepreneurial Attitude (Z), can be accepted.

These results are in line with the statements Chen et al (2016) that there is a positive and significant relationship between Entrepreneurial self-efficacy and Entrepreneurial attitude. Student workers have high confidence in the success of their own entrepreneurs and have the skills, creativity and expertise needed for entrepreneurship. This can lead to positive attitudes of students and positive behavior related to entrepreneurship. The results of this study are consistent with the statements Chen et al (2012) that there is a positive and significant relationship between adversity quotient towards entrepreneurial intention. Someone who has a high adversity quotient has the ability to take risks, control situations, not easily giving up when facing difficult times, have the determination and confidence to run a new business. This affects someone's entrepreneurial intentions.

The results of this study are in accordance with the statements Chen et al (2016), that there is a positive and significant relationship between Entrepreneurial Self-efficacy towards Entrepreneurial Intention. According to Chen et al (2016), someone who has high Entrepreneurial Self-efficacy feels confident in his ability to perform tasks and carry out actions in entrepreneurship. Self-efficacy has an effect on one's intentions in four processes, namely the cognitive, motivational, compassion, and selection processes; these will form strong Entrepreneurial Self-efficacy so that Entrepreneurial Intention will also be stronger (Firmansyah et al, 2016)

A person with a high Adversity quotient always thinks of possibilities and does not allow difficulties to hamper the entrepreneurial process. This attitude shows that they like challenges, and they can motivate themselves; they are always looking for new ways to develop and become the best and contribute to themselves and the organization (Firmansyah et al, 2016). This is what someone needs to realize his entrepreneurial intentions and maintain them. It shows that students have great confidence in facing difficult circumstances or hindering their success, and are self-assured in their ability to take action to overcome these difficulties and obstacles. By having great confidence and trust in their capability to overcome a problem, the enactment of entrepreneurial attitude needed in entrepreneurship will run well.

IV. CONCLUSION

From the study, it can be concluded that there is a significant positive effect on Adversity Quotient, Entrepreneurial Self-Efficacy, and Entrepreneurial Attitude towards Entrepreneurial Intention on working students. Entrepreneurial Attitude partially mediates the influence between Adviser Quotient on Entrepreneurial Intention. All hypothesis that predicts an influential Adviser Quotient on Entrepreneurial Intention through Entrepreneurial Attitude is acceptable. And also Entrepreneurial Attitude partially mediates the influence of Entrepreneurial Self Efficacy on Entrepreneurial Intention.

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