Relationship between Social Media, Organizational Support, Subjective Norms and Perceived Behavioral Control to Form Entrepreneurial Intention

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Entrepreneurship is the key to innovation and economic growth, both for developed industrial countries and developing countries. Currently, in Indonesia there is growing awareness of the importance of the role of entrepreneurship in national development. On the other hand, advances in information technology, especially the internet, have made it possible for many people to connect to virtual communities in a network without borders. The main purpose of this research is to test research a model that forms Entrepreneurial Intention. Based on the survey method and purposive random sampling as a sampling technique, a research model testing using structural equation modelling proves that Social Media Usage has a positive and significant effect on Subjective Norms, but has no effect on Entrepreneurial Intention; while the Organizational Support has a positive and significant effect on Subjective Norms and Perceived Behavioral Control. Then, Subjective Norm and Perceived Behavioral Control have a positive and significant effect on Entrepreneurial Intention.

Keywords: entrepreneurship, social media, organizational support, subjective norms, perceived behavioral control

JEL Classification: M30

1. Introduction

Nowadays, entrepreneurship is considered a powerful tool that drives employment creation and stimulates economic growth, beside as an important element to economic growth, reduce poverty, and development engine in many developing countries (Meyer and Synodinos, 2019; Oláh et al., 2019). In the last decade, Indonesia has experienced quite good economic growth by the role of entrepreneurship and entrepreneurs; entrepreneurship is the key to innovation and economic growth, for both industrialized and developing countries. However, there are still many obstacles for Indonesia to produce many entrepreneurs; One of the reasons is the desire of most of the younger generation to become employees with a steady income,
rather than becoming entrepreneurs with several risks. This results in the high level of unemployment in Indonesia, particularly among the younger generation. Indonesia Central Bureau of Statistics released information that out of 8.32 million unemployed people in Indonesia or 7.14% of the total workforce as of August 2010, it turns out that most of them are dominated by undergraduate and diploma graduates. Solution to this problem is to turn college graduates into independent young entrepreneurs. Armed with intellectual abilities, adequate skills, the ability to use information technology and massive use of electronic social networks, it can encourage college graduates to become strong young entrepreneurs. However, encouraging students to become entrepreneurs is not easy. Indonesia’s education system and environment are less able to provide motivation for the emergence of student interest in entrepreneurship during study and later after graduation. This is evidenced by the low number of enthusiastic young generation to be entrepreneur and most university graduates expect them to work as private employees, professionals, and civil servants.

On the other hand, advances in information technology, especially internet, have made it possible for many people to connect to virtual communities that are network without borders; Facebook, Twitter, WhatsApp (WA), Vlog, and others, have enabled members to exchange information, exchange ideas, and influence one another, including in their efforts to sell the products and services they produce. In practice, the younger generation mostly uses electronic social media to interact and consume goods and services. The latest data states that Indonesia’s population is in fifth place on average using internet devices and electronic social media, which is over 8 hours. According to data from the Indonesian Internet Service Providers Association (APJII) in 2017, more than 50 percent of Indonesia’s population, or around 143 million people, is connected to the internet; majority of Bachelor graduates and Diploma graduates (79.23%) have used the internet routinely.

Currently, the influence of digitalization in consumer behavior cannot be ignored. Many researches have led to consumer activities in purchasing situations in a digitalized environment (Stephen, 2016). In his research, he emphasized the need to regularly examine the impact of advances in digital technology in consumer behavior activities. The qualitative research of (Varkaris and Neuhofer, 2017) on a number of electronic social media users when booking hotels shows that social media has significantly changed the way people search and book hotels via online media; This shows that qualitative research has also been conducted to reveal many things about the influence of digital technology on consumer behavior. In digital era nowadays, researchers show that demand for both entrepreneurial and digital skills has increased for managerial positions, but not for others; entrepreneurial skills were significantly more demanded than digital skills and importance of entrepreneurial skills has even increased more than digital skills for managers (Prüfer and Prüfer, 2019).

Entrepreneurial intention plays a major role in entrepreneurship academia and practice, and now developing in the social area of venture creation. Researchers have formulated a well-organized model of social entrepreneurial intention, which provides a broad view of factors that could contribute to the success of the would-be a social entrepreneur (Tran and Von Korfflesch, 2016). In Czech and Slovak universities, female students perceived the quality of education more positively, whereas male students declared a statistically higher interest in entrepreneurial activity as compared to female students (Cera et al., 2018).

In South Africa, government has many ways to influence the development of self-efficacy among 15–18-year-olds in basic entrepreneurship education. One of research about that found positive correlations between the items comprising self-efficacy that can be developed through entrepreneurship education. Also, entrepreneurship education of a longer duration had stronger positive correlations with such items (Bux and Van Vuuren, 2019). Other survey results also demonstrated that more students complete many courses in entrepreneurship, student’s entrepreneur intention will increases; although the entrepreneur education had a slight impact to the entrepreneur education, the knowledge and education offered at the university influenced positively (Zanabazar and Jigjiddorj, 2020).

From the explanation above, it is necessary to conduct many researchers to see the potential of younger generation, especially university students, who are well educated in the field of entrepreneurship, can be interested to becoming entrepreneurs with optimum utilization of the strength of the finger through electronic social media era.

2. Literature Review

2.1. Entrepreneurial Intention

Attitude is a positive or negative belief to display a certain behavior. These beliefs are called behavioral beliefs; an individual will intend to display a certain behavior when he evaluates it positively. Entrepreneurial intention can be classified into push factors and pull factors. Push factors can be defined as factors urging an
individual to start a new business venture due to dissatisfaction in their current form of employment; while pull factors are associated with necessities of someone, such as unemployment, inadequate family income, or financial motivations (Meyer and Hamilton, 2020). This might suggest that other factors, such as lack of opportunity, financial problem and a large enough market might have a direct impact on these individuals not actively pursuing their entrepreneurial intention (Mate and Dajnoki, 2017).

Number of studies have revealed that there are many factors that encourage students’ positive attitudes towards entrepreneurship, such as work experience and the education background (Huyghe and Knockaert, 2015). Meanwhile, (Moog et al., 2015) shows that student need to always be in contact with work fields and many entrepreneurs to keep their motivation remains high; Therefore, creating an entrepreneurial environment from an early age in college, through internships, practical work, and others, is very necessary so that students have an attitude that is continuously nurtured for entrepreneurship in the future. (Malebana, 2014) states there from three elements forming the theory of planned behavior, the entrepreneurial attitude variable is the most important in realizing the application of this theory in entrepreneurial research in higher education environment. Based on an analysis, parents’ behavior, parents’ experience, entrepreneur’s work attitudes and behaviors seem to have a significant impact on entrepreneurial success (Duchek, 2018).

2.2. Subjective Norm

In general, subjective norms are a person's perception of social pressure to perform or not perform behavior; successful entrepreneurs play a significant role in forming entrepreneurial interest. By being involved in entrepreneurial projects, or helping entrepreneurs and observing business activities, students will gain valuable experience and motivation to become entrepreneurs such as role models they meet and interact intensively. This is one of the driving factors in the framework of the theory of planned behavior. However, if (Kautonen et al., 2015) stated that there is a strong relationship between subjective norms and entrepreneurial intentions, research from (Schlaegel and Koenig, 2014) actually shows a weak relationship between the two variables.

Subjective norm is the second predictor of entrepreneurial intention in this study. It is defined as the perceived social pressure to perform or not to perform the behavior. Perceived social pressure to perform or not to perform the entrepreneurial behavior may be triggered from family, friends, teachers, and other possible role models. Moreover, findings of research presented that entrepreneurship education stimulated students’ subjective norm and their intentions towards the entrepreneurship (Saraih et al., 2018). (Karimi et al., 2016) state that many elective and compulsory entrepreneurship education programs had positive impacts on student’s entrepreneurial interest.

2.3. Perceived Behavioral Control

Perceived behavioral control (PBC), according to Ajzen, is an individual's perception of whether or not it is easy for an individual to behave and is assumed to be a reflection of previous experiences and the obstacles that are anticipated (Fishbein and Ajzen, 2005). This PBC has two factors, namely belief control and perceived facilitation and is formed by the past experiences of the people around them (Gopi and Ramayah, 2007). Meanwhile, other researcher stated that PBC actually consists of two important factors, namely Propensity to Anthropomorphise as an internal driver, and affordability of the brand as a level of difficulty that comes from outside the individual (Hegner et al., 2017).

Jain et al. (2017) stated that perceived behavioral control can be concluded as an individual's perception of a level of difficulty or ease for someone to become an entrepreneur. Their research proves a positive and significant relationship between PBC and Entrepreneurial Intentions. In the theory of planned behavior framework, (Fishbein and Ajzen, 2005) states that perceptions of behavior control are determined by individual beliefs in the availability of resources to run their business, whether in the form of equipment, HR competencies, and business opportunities that support or inhibit predictable behavior; also consider the role of these resources in realizing this behavior. The stronger the belief in the availability of resources and opportunities that the individual has, the stronger the individual's perception of control over the behavior. (Soon and Wallace, 2017) in their research on halal food in Malaysia showed that PBC is not significantly related to purchase intention from someone. But they perceive having entrepreneurial skills, display positive entrepreneurial characteristics and possess positive intentions towards becoming entrepreneurs (Meyer and Hamilton, 2020).
2.4. Organizational Support
Organizational factors to encourage conducive entrepreneurial activities, especially higher education, need innovative higher education policies, incentives given to students who are interested to become entrepreneurs, good organizational culture, and strong network between university and industry (Huyghe and Knockaert, 2015; Walter et al., 2016). Cultivating an entrepreneurial spirit in students while they are studying can be a breakthrough to reduce unemployment and improve people’s welfare; by having an entrepreneurial spirit that has been formed from a young age through courses and internships or practical work, students can create jobs or become entrepreneurs after graduating from college. In general, it can be proven that the more prosperous a country is, the more educated people are, and the more citizens run an independent business. (Huyghe and Knockaert, 2015) shows that organizational culture inside and outside of higher education has shown a positive influence on students’ interest in becoming entrepreneurs. Positive and massive support from higher education tends to motivate students to be confident in looking at their future as entrepreneurs through perceived behavioral control variables. Meanwhile, they also state that a good organizational culture will increase student’ interest to be involved directly or indirectly into entrepreneurial activities.

2.5. Social Media Usage
Social media usage will affect the brand awareness, and in the long run will affect e-Word-Of-Mouth (Stojanovic et al., 2018); Therefore, the use of social media will be beneficial for business activities, and will indirectly have an impact on the desire to become an entrepreneur from someone who has influence in social media communities. Electronic social media is an online media, where users can easily participate, share, and create content; these media include blogs, social networks, forums, and virtual worlds. Blogs and social networks are the most common forms of social media used by people around the world. Social media is interpreted in broader term and defined as online service with the aid of which users are empowered and enabled to not only create but also share different content. It comprises social networking sites, online communities, user-generated services (like blogs), video sharing sites, online review/rating sites and virtual game worlds, where people publish, or edit, generate, design content (Prasad et al., 2017).

The key factors that contribute to social media acceptance as a business platform are performance expectancy, effort expectancy, social influence, facilitating condition, and perceived enjoyment (Shokery et al., 2016). Instagram marketing is vital in running a small business, because the society is gradually turning into a technologically driven one. Now entrepreneurs move their products from physical engagement to online interactions. Instagram for marketing will create an online community round it, and will expose the business to a wider audience, increase sales volume, and compete favorably with competitors (Mamodu et al., 2019). From an organizational perspective, research on social media should move past the conventional dyadic view of the relationship between an online community and a firm and focus on reconceptualizing online users as an ecosystem of stakeholders. Social media has re-established the dynamics between organizations, employees, and consumers (Kapoor et al., 2018).

From the discussion above, the research model is:

From research model above, hypotheses proposed in this study are:
H1: Social Media Usage has a positive and significant effect on Entrepreneurial Intention.
H2: Social Media Usage has a positive and significant effect on Subjective Norm.
H3: Organizational Support has a positive and significant effect on Subjective Norm.
H4: Organizational Support has a positive and significant effect on Perceived Behavioral Control
H5: Subjective Norm has a positive and significant effect on Entrepreneurial Intention.
H6: Perceived Behavioral Control has a positive and significant effect on Entrepreneurial Intention.

3. Research Methods

The research design is a survey method using a questionnaire to students. Data collection was conducted from April to November 2019. Students are chosen because they are the subject of research to test the research model, with sampling technique is purposive random sampling. Respondents will be given a questionnaire, which consists of two parts. The first part is the information about their profile, such as gender, age, expenditure per month, and their behavior in communicating through social media. The second part is a questionnaire which contains questions to test the research model mentioned.

Once collected, data will be analyzed for research models by Structural Equation Models (SEM) using AMOS software. Several tests of goodness of fit criteria have been developed to interpret a structural equation model; it is to determine the degree of compatibility of a model with the empirical data obtained. Some criteria for the goodness of fit in SEM can be seen in Table 1.

<table>
<thead>
<tr>
<th>Goodness of Fit Criteria</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$/ df</td>
<td>2 – 3</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt; 0.07</td>
</tr>
<tr>
<td>TLI</td>
<td>&gt; 0.95</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt; 0.95</td>
</tr>
</tbody>
</table>

(Source: Hair, Black, Babin, and Anderson, 2014; Rose, Markman, and Sawilowsky, 2017)

4. Research Results

In this section, the results will be presented, starting with understanding the profile of the respondents.

### Table 2. Profile of Respondents

<table>
<thead>
<tr>
<th>No</th>
<th>Description</th>
<th>Classification</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>Male</td>
<td>48.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>52.0</td>
</tr>
<tr>
<td>2</td>
<td>Expenditure per Month</td>
<td>&lt;Rp1,000,000.00/ month or</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt; 71.3 USD / month</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;Rp1,000,000.00/ month − &lt;Rp1,500,000.00/ month or</td>
<td>40.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 71.3 USD / month − &lt; 106.95 USD / month</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;Rp1,500,000.00/ month − &lt;Rp2,000,000.00/ month or</td>
<td>34.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;106.95 USD / month − &lt; 142.6 USD / month</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;Rp2,000,000.00/ month or</td>
<td>18.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;142.6 USD / month</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Internet Usage</td>
<td>Below two hours</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;2 – 3 hours per day</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;3 – 4 hours per day</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;4 hours per day</td>
<td>58</td>
</tr>
<tr>
<td>4</td>
<td>Social Media</td>
<td>Facebook</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Twitter</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WhatsApp</td>
<td>35.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Line</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Instagram</td>
<td>33.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>3.8</td>
</tr>
<tr>
<td>5</td>
<td>Purpose of Social Media</td>
<td>Chatting</td>
<td>34.2</td>
</tr>
<tr>
<td></td>
<td>Usage</td>
<td>Discussion</td>
<td>19.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Task Management</td>
<td>28.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business Activities</td>
<td>15.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Note: *1 Indonesian Rupiah (Rp.) = 0.000071 United States Dollar (USD) as of January 7th, 2021.
From the table above, the composition of men and women is relatively the same, and most respondents have a level of expenditure that is in the middle social class, with a large range between Rp. 1,000,000, - to Rp. 2,000,000, - per month, or between US$ 71.3 – US$ 142.6 per month (total about 74%). From internet usage, most of them use the internet in a relatively long day (more than 4 hours). From social media platforms, WhatsApp (WA) and Instagram (IG) are two most used social media platforms, currently image and video-based platforms. This shows that consumers in Indonesia prefer practical and visual aspects of communication activities. Twitter, which was once very popular, is now widely abandoned; This is suspected because young respondents (millennial) prefer to spread discussion content or several topics through intimate (personal) communication using the Instagram or WA platform rather than mass-spreading content via Facebook or Twitter. From the table above, chatting and working on assignments are the two most frequently carried out activities using electronic social media platforms. This shows that until now only the type of social media platform has moved, but the use is still the same, namely in the aspects of communication and entertainment.

5. **Hypothesis Testing Results**

Using AMOS software, research model can be converted into:

![Research Model in AMOS](image)

The goodness of fit results are presented in Table 3, as follows:

<table>
<thead>
<tr>
<th>Table 3. Goodness of Fit Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodness of fit criteria</td>
</tr>
<tr>
<td>CMIN / df</td>
</tr>
<tr>
<td>RMSEA</td>
</tr>
<tr>
<td>IFI</td>
</tr>
<tr>
<td>TLI</td>
</tr>
</tbody>
</table>

All the goodness of fit criteria has been met the requirements. CMIN / df is below 2, and RMSEA below 0.08 shows that suitability of the sample data compare with research model is quite high. Also, both IFI and TLI numbers are very high (0.933 and 0.911 respectively). Thus, hypothesis process can be continued to interpretation of the structural relationships between variables.
From testing results, Social Media Usage has a positive and significant effect on Subjective Norms, but has no effect on Entrepreneurial Intention, while the Organizational Support has a positive and significant effect on Subjective Norms and Perceived Behavioral Control. Then, Subjective Norm and Perceived Behavioral Control have a positive and significant effect on Entrepreneurial Intention. These results show that all hypotheses are accepted, except for the first hypothesis, which in fact shows that there is no influence of Social Media Usage on Entrepreneurial Intention. Thus, in Indonesia, entrepreneurship education and university support for a student will enable him to get knowledge and master skills in the business fields. On the other hand, education at the university will also encourage friends and relatives of students to influence them to become entrepreneurs after they graduate. Meanwhile, the social media factor also affects the desire to become an entrepreneur, although indirectly, through subjective norm variable.

These findings differ from several previous studies. Urban and Chantson's (2019) research on the application of the Planned Behavior theory to students in South Africa shows that there is no relationship between the Organization Support and the Perceived Behavioral Control. Likewise research from (Alves et al., 2019) shows that there is no relationship between the efforts made by universities (organizations) in shaping a person's attitude towards entrepreneurship or not. They show that several other variables influence entrepreneurial attitudes, such as psychological factors, culture, and habits in the family, or even age that shows one's maturity in dealing with problems. Many studies can be carried out later to examine the complex relationships between variables in shaping one's attitudes and intentions for entrepreneurship.

Researcher thinks that social media usage does not influence entrepreneurial intention because of lack of understanding about electronic social media benefits. Many entrepreneurs do not realize that online social media nowadays has become an important marketing communication tool for entrepreneurs because of its ability to simplify various constraints in the communication process. Online social media allows entrepreneurs to access customers, suppliers, partners, and other necessary resources at lower costs. Therefore, as social media becomes more integrated with personal and business life, entrepreneurs need to use social networking sites to build relationships with existing customers or to reach new customers (Turan and Kara, 2018). In the future, with the development of social media platform technology, and many graduates having the advanced skills in information and communication technology, social media usage will become more important for entrepreneurs. It was found that entrepreneurship education and financial support encourage the entrepreneurial attitude of youngsters to venture into entrepreneurship (Hassan et al., 2020).

The results also indicate that the university environment’s support and exogenous environment also have an indirect but significant impact on shaping entrepreneurial intention. But in many Asian countries it was found that environment has a negative relationship with both behavior and perceived behavioral control.
(Trivedi, 2017). In other countries, researchers found that subjective norm has a positive influence on entrepreneurial interest; students from families who engaged in business had more positive attitude toward entrepreneurial intention (Zanabazar and Jigjiddorj, 2020).

6. Conclusions

Based on the research, the following conclusions can be drawn:

1. From respondent profiles, the ratio of men and women is relatively the same and have a level of expenditure between Rp. 1,000,000, - to Rp. 2,000,000, - per month, or between US$ 71.3 – US$ 142.6 per month. From internet usage, most of them use the internet more than 4 hours, with WhatsApp (WA) and Instagram (IG) are two most used social media platforms. Chatting and working on assignments are the two most frequently carried out activities using electronic social media platforms.

2. From hypotheses testing results, it shows that Social Media Usage has a positive and significant effect on Subjective Norms, but has no effect on Entrepreneurial Intention, While the Organizational Support has a positive and significant effect on Subjective Norms and Perceived Behavioral Control. Then, Subjective Norm and Perceived Behavioral Control have a positive and significant effect on Entrepreneurial Intention.

Moreover, we have the following suggestions:

1. Because a person's entrepreneurial intention is indirectly influenced by social media usage, since at university, students need to get a lot of digital-based learning courses, such as digital marketing, digital finance, digital promotion, and others.

2. Universities need to invite many business experts and business practitioners to give lectures and practical teaching to students, so that they have a more comprehensive understanding of business and are interested in becoming entrepreneurs after graduation.

References


