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EKONOMI  
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# Entrepreneurial Intentions among Dutch and Indonesian university students

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Key terms: entrepreneurship, new venture creation, entrepreneurial intention, theory of planned behaviour, personality traits, barriers to entrepreneurship, entrepreneurial education, social learning theory, university students, Indonesia, the Netherlands.

“Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work.

And the only way to do great work is to love what you do.”

- *Steve Jobs, Co-founder Apple*

## MANAGEMENT SUMMARY

The creation of new business has an important influence on innovation, employment and economic growth in both developed and undeveloped nations. Given the importance of new venture creation, entrepreneurship has been the topic of numerous studies in the scientific field. Yet, the knowledge about influencing factors that foster or impede this process and about differences between groups is not sufficient. A fuller understanding how people – especially students – develop their founding intentions has to be developed. Furthermore, since most of the studies have taken a single-country approach or were based on a sample of existing entrepreneurs, limited evidence exists regarding the effect of fostering and hindering factors in relation to entrepreneurial intentions of university students in a cross-cultural setting. To bridge this gap, the following problem statement has been formulated: “*What is the influence of barriers to entrepreneurship, social learning theory, personality characteristics, and entrepreneurial education on the entrepreneurial intention of Dutch and Indonesian university students?*”

To find an answer to the posed question, several hypotheses have been developed and tested using structural equation modelling (SEM) techniques. Data was obtained from a questionnaire completed by a sample of Dutch and Indonesian university students. The SEM model that was tested included the following latent variables: entrepreneurial intention questionnaire (dependent variable) as designed by Liñán and Chen (2009), barriers to entrepreneurship, social learning theory, personality characteristics, and entrepreneurial education (independent variables).

In light of the two country samples, evidence is provided of commonalities and differences in influencing factors that foster or impede the entrepreneurial intention among university students in the Netherlands and Indonesia. While some of the differences are clearly traceable to the respondent’s native culture and environment, it appears that entrepreneurs share certain core fostering factors, such as Social Learning Theory, regardless of cultural origin. Furthermore, results showed that testing theoretical frameworks developed using data from Western cultures on a non-Western sample did not give sufficient evidence of cross-cultural generalizability.

The Indonesian sample scores a higher mean rate of entrepreneurial intention than the Dutch sample. The relation between the social learning theory and entrepreneurial intention was

proven to be positive for both groups. For the Dutch sample, the results demonstrated that Innovativeness and Locus of Control were positively associated with entrepreneurial intention. Also, a positive relationship between entrepreneurship education and intention was found for the Dutch university students.

Furthermore, with regard to starting a business Indonesian university students are positively influenced by meeting or exceeding a high standard of success and the belief that rewards in life are guided by own decisions and efforts, whereas Dutch university students are positively influenced by the ability to be innovative and the belief that rewards in life are guided by own decisions and efforts. Lack of Confidence, Start-Up Logistics and Time Constraints were considered as the most important barriers to entrepreneurship for the Indonesian sample. For the Dutch sample, Perceived Opportunities, Start-Up Logistics and Financial Needs were the most influential barriers.

The research on Dutch and Indonesian university students with a focus on fostering and hindering factors as far as founding a company is concerned contributed to greater understanding of the emergence of differences in the founding landscape and in deducing recommendations for action and ongoing theory.

## **PREFACE**

This thesis is submitted in partial fulfilment of the requirements for a Master's Degree in Strategic Management at Tilburg University for the author of this study. It contains work done from March to July 2015. This thesis represents not only my work at the keyboard, it is a milestone and it marks the end of my years as a student at Tilburg University.

Although writing the thesis is seen as boring and pointless task by many fellow students, it has been the best period of my time as a Tilburg University student. An international research project like this within a significantly different culture immensely enriched my life and contributed to both professional and personal development.

During the process of writing on such a broad topic as entrepreneurship, I inevitably incurred large debts which are impossible to all mention here. Yet, there are some persons I would like to thank explicitly. First of all, I wish to express my deep gratitude to all representatives of the Frans Seda Foundation for financially supporting this research without which nothing of this would have been possible. This research project gave me the opportunity to write this thesis in one of the most beautiful countries of the world.

I would also like to thank my Dutch and Indonesian supervisors, Aswin van Oijen and Sari Wahyuni, for their support, supervision and friendship during the thesis process. Their sincere and valuable guidance helped me to determine the direction, and the supervision throughout the writing process has been pleasant and insightful to me. One simply could not wish for better or friendlier supervisors. In addition, I would like to thank Tal Simons for critically reviewing the thesis and sharing the Frans Seda Foundation scholarship opportunity among her colleagues, which in fact is the starting point of this project.

My thanks are extended to several students, lecturers and students organizations at Fakultas Ekonomi dan Bisnis Universitas Indonesia, with whom I have had enlightening and stimulating discussions about entrepreneurship. I would like to acknowledge the help of Setyo Hari Wijanto for his careful reading and critical evaluation of the analyses, good humor, and the great collaboration, which I really enjoyed. His book on Structural Equation Modelling will be stored on a special place in my personal library.

My time at Universitas Indonesia was made enjoyable in large part due to the many friends and groups that became a part of my life. Special thanks to Angtyasti Jiwasiddi, Donnie Wisnu Wardono, and the family Wahyuni for their parent-like support and generous care whenever I was in need during my stay in Indonesia. Terima kasih banyak-banyak!

Lastly, I am forever indebted to my parents for their unconditional support, timely encouragement, and endless patience. While I had to work my way up on the educational ladder, my parents provided a care-free environment and encouraged me to follow my dreams.

I hope that the results, conclusions and implications of this study will help Indonesian and Dutch policymakers to gain more insights in how to take away the barriers to entrepreneurship as well as how to foster entrepreneurship among university students.

I hope you will enjoy reading this thesis.

Paul Weiss

August 14, 2015

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## **CHAPTER 1: INTRODUCTION**

### **1.1 Problem Indication**

The constant increase of uncertainties in the world economy, companies and government reduction in staff have increased the appeal of new venture creation and entrepreneurial innovation. Morris and Schindehutte (2005) identified new venture creation as an innovative instrument in an economy, through generating a productive development and advancement in an economy, and consider it as a rescue for the general unemployment in the economy of any nation. The creation of new ventures significantly influences innovation, employment and economic growth in both developed and undeveloped nations. In addition, the increased disappointment and dissatisfaction in corporate employment opportunities inspired the allure of self-employment, especially among students (Obembe, Otesile, & Ukpung, 2014; Teixeira & Davey, 2008). This turn of events has been mirrored by a rising worldwide academic interest in entrepreneurship, and has led to a great interest among policymakers on how to foster entrepreneurship (Acs & Audretsch, 1988; Kirchoff & Phillips, 1988; Wennekers & Thurik, 1999).

An individual's decision to start a business is a complex and multifaceted process. Scase and Goffee (1980) argued that the conventional thinking about how entrepreneurial ideas, intention and behavior emanate in a society is so complex and individual that it lies beyond analysis. To be and to become an entrepreneur has been attributed to something almost inborn and inherited (Gibb & Ritchie, 1982). It has been convincingly argued that entrepreneurs have some common psychological characteristics that are associated with entrepreneurs and factors that encourage them to start a business (Scherer, Adams, & Wiebe, 1989; Brockhaus, 1982). In building a common knowledge, a focus only on traits to describe an entrepreneur is likely to be almost useless (Gartner, 1988; Carsrud, Olm, & Eddy, 1985). Therefore, researchers have tried to develop integrated explanatory models that take into account not only the general psychological characteristics of (prospective) entrepreneurs, but also domain-specific attitudes (Davidsson, 1995), institutional environment (Díaz-Casero, Ferreira, Mogollón, & Raposo, 2012), entrepreneurial values (Morris & Schindehutte, 2005), and the impact of desirability and feasibility (Guerrero, Rialp, & Urbano, 2008).



A major stream in the scientific field of entrepreneurship has focused on factors which enhance the entrepreneurial intention. Relatively limited attention in extant literature has been devoted to factors that are negatively related to an individual's ability to start a business. This study focuses on both positively and negatively related factors in relation to an individual's ability to bring their business to life in the pre-start-up phase or the pre-decision stage among university students of Universitas Indonesia, in Jakarta, Indonesia and Tilburg University, in Tilburg, The Netherlands. The majority of research in entrepreneurship has focused on entrepreneurs during their professional activities- which is during the start-up or the later phases of corporate development, and entrepreneurship among university students has only received limited attention in the extant entrepreneurship research (Voigt, Brem, Scheiner, & Schwing, 2007; Man, Lau, & Snape, 2008). According to GEM (2011), research of university students is needed to further understand factors which play a role in the forming of university students who are likely to choose a career in entrepreneurship. Furthermore, existing studies have generally taken a single-country approach to analyze the intention or the determinants of student entrepreneurial activity. A positive students' tendency towards entrepreneurship activities is paramount in anticipating the entrepreneurship feasibility of a nation and an interest push for colleges and universities in building a self-employed mentality among students (Glinskiene & Petuškiene, 2011). Therefore, it is essential to understand the fundamental determinants of entrepreneurial behavior (Scheiner, 2009).

Differences between Dutch and Indonesian university students' level of interest in entrepreneurship will be expected due to differences in culture, socio/economic factors, resources, institutional environment, and other contextual variables. The intended contribution is to integrate different variables that have been used and discussed within various approaches into one model, and hence to make an assessment of their relative importance as well as their status as direct or indirect influence on entrepreneurial intentions. In this study, barriers to entrepreneurship are expected to act as hindering factors in relation to entrepreneurial intention, whereas entrepreneurial education, personality characteristics and social learning theory are expected to act as fostering factors. Two different countries, The Netherlands and Indonesia, which significantly differ along Hofstede's (2010) cultural dimensions are considered in this study. Recent research in cultural and social psychology have indicated the need for cross-cultural studies by demonstrating that differences in cultural orientation influence perceptions (e.g. Markus & Kitayama, 1991) and behaviors (Liñán & Chen, 2009). The purpose of this

study is to empirically test a model of the determinants of entrepreneurial intentions among Dutch and Indonesian university students. Most research on entrepreneurship focused on theoretical frameworks developed using data from Western cultures. The relevance of these frameworks in diverse cultural settings has received limited attention in the extant research (Gergen, Gulerce, Lock, & Misra, 1996). Therefore, testing theoretical frameworks in cross-cultural settings will provide evidence of cross-cultural generalizability. This study serves to address a gap in current knowledge regarding the way in which barriers to entrepreneurship, social learning theory, personality characteristics, and entrepreneurial education shape entrepreneurial intentions across nations. This study will aim at providing valuable recommendations for practice on how to foster entrepreneurship and producing value-adding answers to challenges faced by both countries.

### **1.2 Problem Statement**

What is the influence of barriers to entrepreneurship, social learning theory, personality characteristics, and entrepreneurial education on the entrepreneurial intention of Dutch and Indonesian university students?

### **1.3 Research Questions**

The following research questions will be answered in order to solve the problem statement:

1. What is entrepreneurial intention and what are its main influencing factors according to extant literature?
2. What is the (expected) influence of barriers to entrepreneurship, social learning theory, personality characteristics, and entrepreneurial education on entrepreneurial intention among Dutch students and among Indonesian students, according to extant literature?
3. How can barriers to entrepreneurship, social learning theory, personality characteristics, entrepreneurial education, and entrepreneurial intention be empirically investigated?
4. What is the effect of barriers to entrepreneurship, social learning theory, personality characteristics and entrepreneurial education in relation to entrepreneurial intention, compared between Dutch and Indonesian university students?

## 1.4 Theoretical Framework

Figure 1.1 provides an overview of the conceptual framework of this study. The theoretical framework, which is closely linked to the problem statement, identifies the research variables, and clarifies the relationships among the variables.

The theoretical model of this study was inspired by the Theory of Planned Behavior of Azjen (1991), which argues that entrepreneurial intention indicates the effort that the person will make to carry out entrepreneurial behavior. This study focuses on both fostering and inhibiting factors in relation to an individual's ability to bring their business to life in the pre-start-up phase or the pre-decision stage among university students of Universitas Indonesia, Jakarta, Indonesia and Tilburg University, Tilburg, The Netherlands. According to literature, barriers to entrepreneurship are expected to act as hindering factors in relation to entrepreneurial intention, whereas entrepreneurial education, personality characteristics and social learning theory are expected to act as fostering factors. Attitude towards behavior, subjective norm and perceived behavioral control are considered to be the three general antecedents of intention. Differences between Dutch and Indonesian university students' level of interest in entrepreneurship will be expected due to differences in culture, socio/economic factors, resources, institutional environment, and other contextual variables.

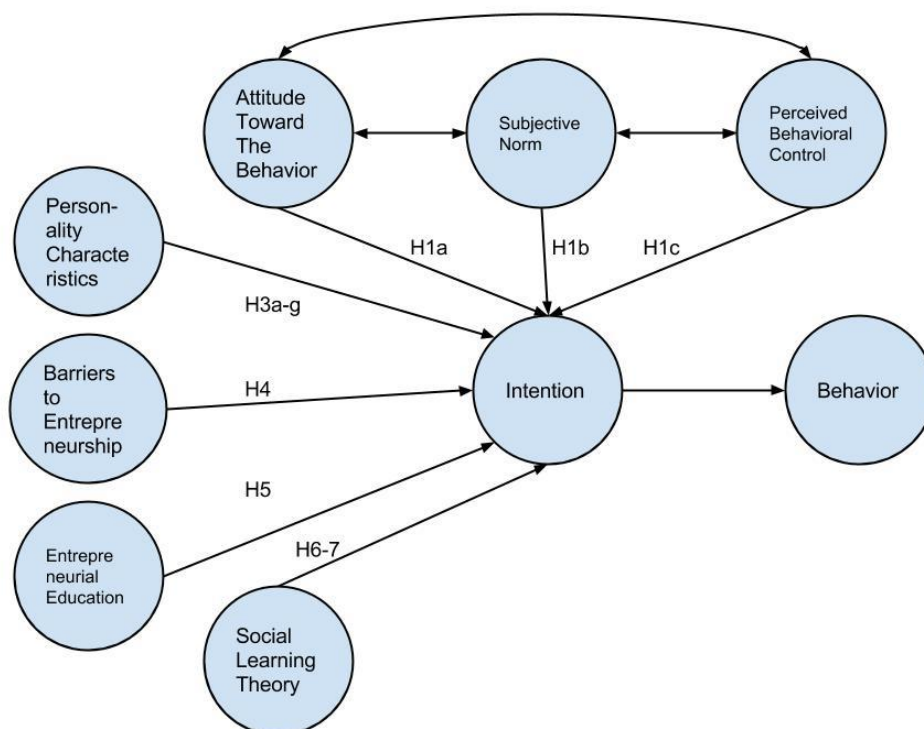


Figure 1.1: Theoretical Framework

## **1.5 Structure of the Report**

The remaining of this master thesis has the following structure. The first, second and third research questions will be answered in chapter 2, which form the theoretical background of the study. Chapter 3 will elaborate on the methods used to conduct the research. The answers to the fourth research question will be presented in chapter 4, which will contain the main findings of this study. The last chapter, chapter 5, provides the conclusion and discussion, as well as the main limitations of the study. Based on the obtained results, managerial and academic implications of this study will be highlighted.

## CHAPTER 2: LITERATURE REVIEW AND HYPOTHESES

In this chapter the theoretical framework, which serves as the foundation of this study, is proposed. The chapter gives a literature review that summarizes relevant and influencing variables of entrepreneurial intention. This chapter first elaborates on the economies of the Netherlands and Indonesia. After that, the dependent variable, which is entrepreneurial intention, and its underlying factors will be addressed. Next, the independent variables will be reviewed. Based on existing theory, hypotheses for each independent and dependent variable will be proposed, which will be empirically tested in the following chapters.

### 2.1 The Economies of the Netherlands and Indonesia

This section briefly describes the economies of the Netherlands and Indonesia, with the aim of providing background information. The characteristics of an economy could affect a person's ability to actually start a business. According to Porter's (2002) typology, the Netherlands was identified as an innovation-driven economy, in which national economic growth through job creation and technical innovation is the outcome of the model. On the other hand, Indonesia is considered as an efficiency-driven economy in which the government focuses on ensuring smooth mechanisms such as a proper functioning of the market: goods and labor markets, higher education systems and technological readiness (Zwan, Hessels, Hoogendoorn, & Vries, 2013; Nawangpalupi, Pawitan, Gunawan, Widyarini, & Iskandarsjah, 2014).

In Table 2.1, a number of key differences between the Netherlands and Indonesia are given. Overall, the United Nations' global development network ranks the Netherlands as fourth in the world and Indonesia as 108<sup>th</sup> according to its Human Development Index (International Human Development Indicators, 2014).

	<b>The Netherlands</b>	<b>Indonesia</b>
GDP (US\$ billions), 2013	711.29	2,186.28
GDP per capita (US\$), 2011	42,452.58	8,856.2
Total population (millions), 2011	16.76	249.87
Internet users (% of population)	93	15.36
International Trade (% of GDP)	165.88	50.07
Human Development Index (HDI)	0.915	0.648
Public expenditure on education (% of GDP)	5.96	2.77

*Table 2.1 Economic and Technological Profile for the Netherlands and Indonesia: Selected Statistics*

## 2.2 Entrepreneurial Intention

Due to the shift in scientific literature from the question “*what is an entrepreneur*” to “*what influences people to develop entrepreneurial behavior*”, theories from the field of psychological literature gained in importance, because theories emphasized that intentions are predictors of activity which have to be examined (Carsrud & Johnson, 1989; Scherer, Brodzinski, & Wiebe, 1990). The work of Fishbein and Ajzen (1975) played an essential role because it described the correlation as an evolutionary transition from beliefs to attitudes, from attention to intention and finally from intention to behavior. Thus, the development of behavior can be understood as somehow determined or planned.

Bird (1988) argued that even if the finding of an idea can be an act of creativeness and inspiration, the foundation of a business is nothing unconscious and unintended. Therefore, Bird (1988) and Katz and Gartner (1988) argue that entrepreneurship is a type of planned behavior. In psychology, intentions have proven to be the best predictor for planned behavior, when that behavior is rare, hard to observe or involves time intervals that cannot be predicted (Krueger, Reilly, & Michael, 2000). Entrepreneurial behavior fulfils exactly these characteristics. Several researchers have developed intention models (Peterman & Kennedy, 2003). The dominant, and largely homogeneous, models were developed by Bird (1988), Boyd and Vozikis (1994) and Ajzen (1991).

According to the Theory of Planned Behavior of Ajzen (1991), entrepreneurial intention indicates the effort that the person will make to carry out entrepreneurial behavior. For this reason, it consists of three motivational factors influencing behavior (see Figure 2.1); personal attitude toward start-up, subjective norm, and perceived behavioral control (Ajzen, 1991; Liñán, 2004). The first factor, personal attitude toward start-up, refers to the degree to which the individual holds a positive or negative personal valuation about being an entrepreneur (Kolvereid, 1996; Ajzen, 2001; Autio, 2001). It includes not only affective (attractiveness), but also evaluative considerations (rewards and advantages). Subjective norm measures the perceived social pressure to carry out entrepreneurial behaviors. It refers to the degree in which close family, friends and fellow students would – or would not -approve of the decision to become an entrepreneur. The third factor, perceived behavioral control, is defined as the perception of the ease or difficulty to become an entrepreneur. The concept is quite similar to self-efficacy (Bandura, 1997), and to perceived feasibility (Shapero & Sokol, 1982).

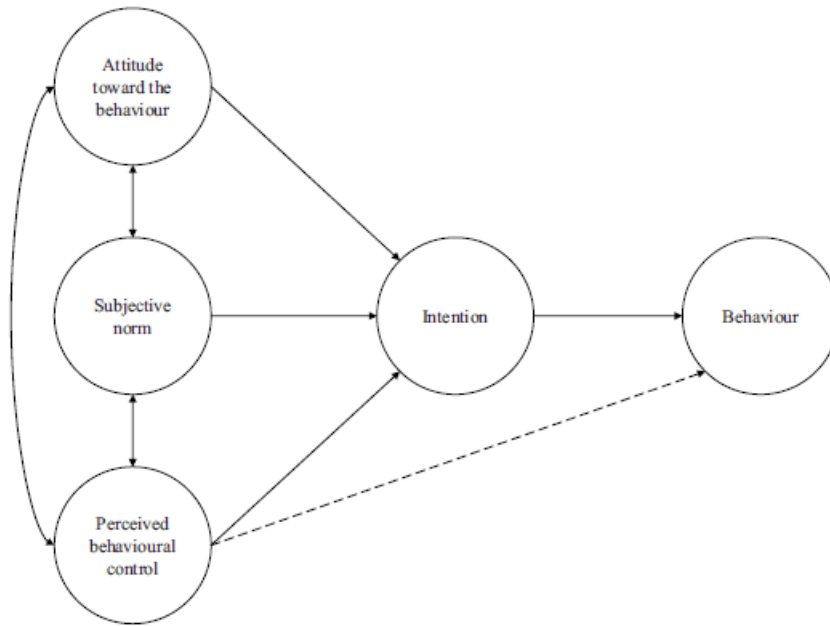


Figure 2.1: Theory of planned behavior. Source: Ajzen (1991), p. 182.

Entrepreneurial intent is traditionally higher in factor-driven than efficiency-driven economies, which is also the case considering Indonesia and the Netherlands. Based on the Global Entrepreneurship Monitor (GEM), the percentage of 18 to 64 year old individuals who intend to start a business within three years is 35 percent, which is higher than neighboring countries, respectively Thailand (18.5 percent) and Malaysia (12 percent), which are also categorized as efficiency-driven economies. Among the South-East Asian countries which are part of GEM research, Indonesia has the second highest intention after the Philippines. The percentage of Dutch adults who intend to start a business within three years is lower, at 10.1 percent, and below the innovation-driven average and the EU average. Based on age classification, the group's 18 to 24 years old and 25 to 34 years old represents 50.8 percent of the total entrepreneurial intent (van der Zwan, Hessels, Hoogendoorn, & de Vries, 2013; Nawangpalupi, Pawitan, Gunawan, Widyarini, & Iskandarsjah, 2014). Based on the above discussion, hypotheses 1a, 1b, 1c and 2 formally state:

Hypothesis 1a: Attitude toward behavior is positively associated with entrepreneurial intention among Dutch and Indonesian university students.
Hypothesis 1b: Subjective norm is positively associated with entrepreneurial intention among Dutch and Indonesian university students.
Hypothesis 1c: Perceived behavioral control is positively associated with entrepreneurial intention among Dutch and Indonesian university students.
Hypothesis 2: The entrepreneurial intentions among Indonesian university students are higher than Dutch university students.

### 2.3 Personality Characteristics

Prior research has shown that entrepreneurs do differ from other groups (e.g., managers) in terms a broad range of personality. For example, Stewart and Roth (2001) found entrepreneurs to be significantly higher in risk propensity than managers, and Collins, Hanges, and Locke (2004) and Stewart and Roth (2007) found entrepreneurs to be significantly higher on achievement motivation. Although numerous personality characteristic have been associated with entrepreneurs (Hornaday, 1982), the most commonly observed and cited ones are risk-taking propensity, tolerance for ambiguity, persistence, achievement orientation, internal locus of control, innovativeness and independence (Gartner, 1988). However, the personality characteristics that have been observed to be predictors of entrepreneurship in Western frameworks may not be applicable to an Eastern country, like Indonesia due to cultural and social differences. For example, if Indonesians are not risk-takers in general, then risk-taking could still be positively related to entrepreneurial intentions, but to a lesser extent. The following section discusses the influence of these personality characteristics on entrepreneurial intentions and the prevalence of these characteristics among East Asians, Indonesians and Javanese<sup>1</sup> in particular.

*Risk-taking propensity.* Empirical research indicates that a distinguished trait of an entrepreneur is his or her higher propensity to take risks. Hull, Bosley and Udell (1980) argued that potential entrepreneurs exhibit greater risk-taking propensity than respondents who do not want to start their own business. As part of their Entrepreneurial Self-Efficacy scale, Chen, Greene, and Crick (1998) found that risk-taking was positively associated with being more entrepreneurial. A possible reason for the higher risk-taking behavior is that entrepreneurs are likely to view business situations more positively and perceive them as opportunities, while non-entrepreneurs may see little potential in them (Palich & Bagby, 1995).

Hofstede (1980) found that East Asians, including Indonesia, generally avoid uncertainty and seek assurance. Javanese rather seek security in their after-death life; they are concerned about obeying the *one and only God* in order to avoid punishment of hell, and look forward to the paradise of heaven (*surgawi*). In general, most Javanese have to be *andap asor*, which means to humble oneself politely and to demonstrate correct behavior (Geertz, 1960). Javanese attempt to look at the final destination of life, called *rukun*, which means harmony; avoiding conflicts

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<sup>1</sup> Java is an island of Indonesia. With a population of 150 million, Java is home to 57 percent of the Indonesian population. The study takes place in the capital of Java, which is Jakarta.



and respecting other people, whatever the situation or conditions. Based on these findings, risk-taking propensity is hypothesized to be positively associated among Indonesian and Dutch students.

*Tolerance for Ambiguity.* Entrepreneurs face an uncertainty that is introduced by the dynamic business world. Besides surprises and setbacks, an entrepreneurial environment often lacks organization, structure and order. Therefore, entrepreneurs are said to have a higher tolerance for ambiguity and enjoy situations without structure and procedure (Begley & Boyd, 1988; Timmons, 1978). Indonesians tend to place high value on job security by seeking close supervision (Goodfellow, 1997). Based on the above arguments forwarded on risk-taking, tolerance for ambiguity is hypothesized to be positively associated among Indonesian and Dutch students.

*Internal Locus of Control.* Entrepreneurs believe that they can control their life's events, which results in having a high internal locus of control (Timmons, 1978). When failures are encountered, entrepreneurs attribute them to their own actions (Brockhaus, 1982). Chen et al. (1998) argued that students and small-business executives who have greater internal locus of control are more entrepreneurial than their counterparts who have less internal locus of control.

Indonesia is constitutionally a secular state and the first principle of the national philosophical foundation, *Pancasila*, is "*belief in the one and only God*". Every Indonesian is required to embrace one religion as it is mandatory personal data which is mentioned in official documents such as passports and other identification cards. *Bhinneka Tunggal Ika*, the official national motto of Indonesia, embodies the founding principle of the Indonesian nation, which declares the essential unity of the population despite ethnical, regional, social or religious differences. In everyday life, Javanese should always keep in mind the idea of *kawulogusti*, which means the unity of servant and lord (Geertz, 1960; Geertz, 1961). Beukman (2005) found that Dutch individuals have more internal locus of control than Indonesian individuals. In an international comparison of 38 countries, Indonesia and the Netherlands score high on internal locus of control. Based on these findings, internal locus of control is hypothesized to be positively associated among Indonesian and Dutch students. (Beukman, 2005)

*Innovativeness.* Because entrepreneurs tend to be discontented with regularity and routine, entrepreneurs become more innovative (Buttner & Gyskiewicz, 1993) and often come up with new ideas (Bajaro, 1981). Indonesians are not known for innovativeness. The hierarchical relationship in Javanese societies, where superiority and seniority plays a central role in

leadership processes, inhibits creativity and innovation (Geertz, 1961). Indonesians are still influenced by their concern for notions such as *rukun* or harmony and *bapakism* or fatherism which do not encourage them to behave aggressively and reinforce behaviors that maintain harmony (Mulder, 1994; Rademakers, 1998). Therefore, innovativeness is hypothesized to be positively associated among Indonesian and Dutch students.

*Independence.* Entrepreneurs tend to be independent and self-reliant (Bajaro, 1981). An individualistic culture promotes entrepreneurship, because it allows an individual to do and change whatever an individual wants regardless of whether these are planned, exploratory, or experimental (Lodge, 1975).

Indonesia is considered to be a collectivist society, where social bonding plays an instrumental role in many aspects of life. (Hofstede, 1980). House et al. (2004) indicates that Indonesians are strongly integrated into cohesive group and are not encouraged to be assertive. These characteristics discourage change, which impedes entrepreneurship. After the fall of the Soeharto regime in 1998, Indonesia has entered a new era. This new era has been marked by the increase of freedom due to the collaboration of government and parliament and openness to the extent that Western countries view Indonesia as a democracy. Due to the new era, the Javanese culture has changed significantly and brought many changes to the socio-political and societal spheres. Indonesian students who dare to be independent despite the social pressures for cohesiveness are differentiated from others (Irawanto, 2011). Therefore, given the sample, independence is hypothesized to be positively associated with entrepreneurial intentions among Indonesian and Dutch students

*Persistence.* Despite facing setbacks, entrepreneurs display a will to overcome them and continue pursuing their goals (Kuratko & Hodgetts, 1995). Neider (1987) found that entrepreneurs score highly on measures of persistence.

In line with current Indonesian conditions, especially since the reformation era after 1998, many organizations in Indonesia are restructuring their organizational norms in order to compete with their rivals, for example in the financial sector (Hinduan, 2009). Indonesia scores highly on performance orientation, which is characterized by a society which always encourages and rewards group members for performance improvement and achievement of excellence. Modernization may be seen as a possible explanation why Indonesians are accepting values associated with a performance orientation. Societies with high performance orientation usually believe that education is essential for success. This is consistent with Indonesia which is highly

aware of the importance of education (Javidan, 2004). Therefore, persistence is hypothesized to be positively associated with entrepreneurial intentions among Indonesian and Dutch students.

*Achievement Orientation.* Achievement orientation is the key to entrepreneurial behavior (McClelland, 1961). Achievement oriented persons seek entrepreneurial positions, because they derive satisfaction from knowing that they can accomplish tasks that others would find challenging. They tend to set moderately difficult goals for themselves where the chances of success are greater than those of failure. Such achievement orientation has been observed empirically among entrepreneurs from across various countries (Ahmed, 1985; Hornaday & Aboud, 1971).

Empirical support is provided by Hofstede's (1980) masculinity measure, where Indonesia was identified to be achievement oriented. In Indonesia, status and visible symbols of success are important but it is not always material gain that brings motivation. An Indonesian concept called *gengsi*, which means outward appearances, illustrates the importance of the position a person holds and aims at impressing and creating the aura of status. Hence, achievement orientation is hypothesized to be positively associated with entrepreneurial intention among Indonesian and Dutch students.

As mentioned before, the personality characteristics that have been observed to be predictors of entrepreneurial intention in Western frameworks may differ among Indonesian individuals due to for example cultural orientations. Differences are expected due to differences in culture, socio/economic factors, resources, institutional environment, and other contextual variables. However, all personality traits are hypothesized to be positively associated regardless the differences in the strength of the relationship. For this reason, in context of each personality trait, background information with regard to East Asians, Indonesians and Javanese in particular was added. Having this as a background, differences between the Dutch and Indonesian sample may be explained. Based on the above discussion, hypotheses 3a, 3b, 3c, 3d, 3e, 3f, and 3g are formally stated as follows:

Hypothesis 3a: Risk-Taking Propensity is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.
Hypothesis 3b: Independence is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.
Hypothesis 3c: Persistence is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.

Hypothesis 3d: Achievement Orientation is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.
Hypothesis 3e: Tolerance for Ambiguity is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.
Hypothesis 3f: Innovativeness is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.
Hypothesis 3g: Locus of Control is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.

## 2.4 Barriers to Entrepreneurship

Ongoing theory has focused on factors which positively affect an individual's ability to bring their business idea to life (e.g., Finnerty & Krzustofik, 1985; Lim & Wee, 1992). Factors which are negatively related to an individual's ability to actually carry out this process have received limited attention (Hatala, 2005). Both intrinsic barriers and extrinsic barriers are identified in this study. Lack of confidence, personal problems, and fear of failure are identified as intrinsic barriers. Extrinsic barriers are lack of skills, start-up logistics, financial needs, time constraints, lack of support, and entrepreneurial opportunities.

*Lack of Support Barrier.* Barriers to entrepreneurship can include difficulties in obtaining institutional support for aspiring entrepreneurs, receiving family support, securing financing, building a relationship with suppliers, and/or obtaining a solid customer base. The perceived availability of support, such as access to qualified consultants and service support for new companies, has a positive impact on entrepreneurial intentions (Lüthje & Franke, 2003). According to the Global Entrepreneurship Monitor, Indonesia has, in the opinion of the experts, little support from government policy-related regulation (Amoros & Bosma, 2014). Indonesia was considered to be one of the most corrupt countries in the world in the years 1998 to 2004 (Boy, 2004). High level of bureaucracy has been seen as hindering factors (Heinemann & Welter, 2007). Therefore, a perceived absence of support could act as a barrier.

*Fear of Failure Barrier.* Fear of failure measures the degree to which fear of failure would prevent people from starting a new business. Fear of failure is considered to be one of the factors that may prevent individuals from undertaking entrepreneurial activities. The greater the fear of failure for setting up a business, the less likely it is that an individual will make the transition from potential to actual entrepreneur. At the same time, the individual's work-related decision may also be influenced by demographic characteristics such as age, gender, origin or ethnicity. Students may have less to lose in the sense that they do not yet have to support a family or pay off a mortgage and might be more willing to start their own business than older people.

Among South East Asian countries, the fear of failure for Indonesians is relatively low, the second lowest rate after Malaysia. This means, in general, that Indonesians like to take risks in entrepreneurship. Based on the area of living, the highest fear of failure was found among Indonesians who live in Jakarta (Nawangpalupi, Pawitan, Gunawan, Widyarini, & Iskandarsjah, 2014). During the past few years, the average fear of business failure in the Netherlands has been relatively low as compared to the averages of the innovation-driven economies and EU economies. In 2012, only Slovenia, member of the European Union, had a lower average fear of failure among those seeing good start-up opportunities than the Netherlands (van der Zwan, Hessels, Hoogendoorn, & de Vries, 2013). In sum, the fear of failure among Indonesian and Dutch people is relatively low in an international comparison.

*Entrepreneurial Opportunities.* Entrepreneurs are able to focus on opportunities rather than problems (Drucker, 1985). The act of visioning and launching a new business necessarily involves identifying and pursuing an opportunity (Gartner, 1994). According to Arenius and Minniti (2005), opportunity perception is one of the most distinctive and fundamental characteristic of entrepreneurial behavior. As suggested by Weber (1930), differences in entrepreneurial activity can be explained in terms of cultural variables. As illustrated in Table 2.1 in section 2.1, there may be differences in how opportunities are perceived among those residing in the two nations.

The shares of perceived opportunities in efficiency-driven economies, such as the Indonesian, are on average higher than in innovation-driven economies like The Netherlands. According to the Global Entrepreneurship Monitor, the percentage of Indonesian adults of 18 to 64 year old who perceived good start-up opportunities (47 percent) is higher than the Dutch percentage (34 percent).

*Lack of Confidence.* This barrier relates to an individual's capacity to deal with self-esteem issues and their effect on an individual's ability to start a business. According to Knight (1996), self-confidence is critical in order to succeed in a business start-up. Starting a business is a major commitment; it can be difficult to commit to when an individual is not confident in their business idea. This lack of confidence may deter an individual from initiating a business idea, which might otherwise lead to success if self-doubt could be alleviated. Competition is perceived as negative and the confidence necessary to survive in a competitive market is a critical barrier to starting a business (Hatala, 2005).

*Financial Needs.* This barrier relates to the financial limitations (i.e. no credit or no equity) of an individual. Consistent with prior research, the aspect of money and financing a venture tops the list of most individuals in many qualitative studies (e.g., Gould & Parzen, 1990). For example, the respondents self-reported barriers to entrepreneurship of a study conducted by Knight in 1996, listing items such as lack of financing and attitude of banks towards start-up companies as major obstacles.

*Start-up Logistics.* One of the first steps in determining whether or not to move forward on a business idea is identifying what is required when starting a business (Hatala, 2005). However, gathering the appropriate information is sometimes challenging based on the type of business being considered. The inability to identify which legal channels (e.g., tax laws, contract signing and trade marks) an individual must go through in order to start their business could act as a hindering factor (Gould & Parzen, 1990).

*Personal/Family.* This barrier deals with issues relating to an individual's personal and family life. Paramount to success is finding support from family and friends during the developmental phase of a business start-up (Hatala, 2005). Family support and life balance are equally critical in order to succeed in starting a business start-up (Knight, 1996). Issues regarding the personal life of an entrepreneur may interfere with the operation of the business, which may ultimately cause the business to fail. These unresolved issues require immediate attention in order for an individual to pursue their business idea and launch the new venture.

*Time Constraints.* This barrier deals with an individual's ability to acquire the necessary time to nurture a business idea. It also factored in an individual's time with family and personal life and how starting a business would impact their ability to continue a normal routine. Also, those individuals who have other events or activities going on may not have the time to nurture a business idea, ultimately delaying the start-up (Hatala, 2005).

*Lack of Business Skills.* Items associated with this factor represent an individual's skills as related to the logistics of starting a business. Two studies conducted in 1986 and 1987 by Ibrahim and Ellis, provided evidence that management skills are critical and provided important information in determining whether a business would survive over time. Next to accounting, cash flow analysis and marketing were stated as critical skills needed. The lack of these skills was the major cause of failure.

Based on the above forwarded discussion, hypothesis 4 formally states:

Hypothesis 4: All barriers to entrepreneurship will be negatively associated with entrepreneurial intentions among Dutch and Indonesian university students.

## **2.5 Entrepreneurship Education**

Several studies have proved the positive effect of entrepreneurship education. Clark, Davis, and Harnish (1984) argued that a relationship between new venture creation and entrepreneurial education exists. Entrepreneurship education increases the perception of desirability and feasibility towards starting a business and influences significantly the entrepreneurial behavior of students (Peterman, 2003). Research has identified two theoretical perspectives which argue that entrepreneurship education is positively related to entrepreneurial intentions.

The first is the human capital theory of Becker (1975). Human capital was defined as the skills and knowledge that individuals acquire through investments in schooling, on-the-job training, and other types of experience. Entrepreneurship scholars have identified human capital as a determinant of entrepreneurial intentions (Davidsson & Honig, 2003). A statistically significant relationship between entrepreneurship education and human capital outcomes, such as entrepreneurship-related knowledge and skills, a positive perception of entrepreneurship, and intentions was found by Martin, McNally, and Kay (2013).

Second is the entrepreneurial self-efficacy of Chen, Greene, and Crick (1998). Entrepreneurship education is associated with entrepreneurial self-efficacy, which may increase entrepreneurial intentions (Wilson, Kickul, & Marlino, 2007). Entrepreneurial self-efficacy refers to a belief in one's ability to successfully perform the various roles and tasks of entrepreneurship, which is well known as one of the triggers of entrepreneurial intentions (DeNoble, Jung, & Ehrlich, 1999). Based on the above forwarded arguments, hypothesis 5 formally states:

Hypothesis 5: Entrepreneurship education is positively associated with entrepreneurial intentions among Dutch and Indonesian university students.

## **2.6 Social Learning Theory**

Social learning theory is derived from the emphasis on learning from other people and belongs to the behavioral theory (Davis & Luthans, 1979). Social learning theory can contribute to the explanation of why people develop entrepreneurial behavior. People are assumed to learn in a social context through the observation of others with whom they can identify and who perform

well in an area in which people also wish to be involved or in which they want to excel. This shapes the beliefs, attitude, and intention of an individual. At the same time, this theory illustrates how the choice to become an entrepreneur is influenced by the observation and evaluation of the model's career choice. This study focuses on the family background and the role models, which have a major influence on and importance for the social learning process.

### **2.6.1. Family background**

In scientific research, the influence of family background, especially the influence of the father or mother, on the entrepreneurial career choice has been empirically supported. Several studies support that family background is related to the propensity to choose self-employment as a career (Scott & Twomey, 1988; Bennett & Dann, 2000). For example, Singh and DeNoble (2003) argued that a close, self-employed relative has a strong positive impact on the attitude on self-employment. The influence of parents as model is assumed to be a powerful determinant (Scherer, Brodzinski, & Wiebe, 1990). Moreover, Klandt (1984) found that the father's profession has an effect on the occupational decision of the son and the daughter, while the mother's influence is mostly limited to the daughter. Based on the above forwarded arguments, hypothesis 6 formally states:

Hypothesis 6: Students with self-employed parents have a higher intention of founding their own business than students without self-employed parents among Dutch and Indonesian university students.

### **2.6.2. Role Models**

Gibson (2004) argues that individuals are attracted to role models who can help them to further develop themselves by learning new tasks and skills. The role of positive entrepreneurial examples is important for enhancing entrepreneurial activity (Fornahl, 2003). Moreover, role models enhances the desire to become an entrepreneur and the entrepreneurial self-efficacy of individuals, which, in turn, positively influence entrepreneurial intentions and, ultimately, entrepreneurial activity (Krueger, Reilly, & Michael, 2000).

Role identification can be seen as a cognitive response to an individual's belief that the characteristics of another person (the model) are close to his or her own motives and character (Kagan, 1958). This model plays a desirable social role or occupies an attractive position (Bell, 1970). Identification may result in the formation or adaptation of an individual's preferences (Witt, 1991) or in imitative behavior if this is expected to be rewarding (Kagan, 1958). It may



provide someone the motivation and inspiration to choose a particular direction, activity or career path (Krumboltz, Mitchell, & Jones, 1976). In addition, a role model provides living evidence that certain goals are achievable. Based on the above forwarded discussion, hypothesis 7 is formally as follows:

Hypothesis 7: Students with a role model have a higher intention of founding their own business than students without a role model among Dutch and Indonesian university students.

## **2.7 Summary**

The above forwarded hypotheses are in line with extant literature. The research process consisted of a two-step procedure which is orientated on an approach suggested by Wijanto (2015). In light of the two country samples, comparative results will be analyzed to examine whether students in the Netherlands and Indonesia perceive fostering and inhibiting factors in relation to entrepreneurial intention differently.

## **CHAPTER 3: METHODOLOGY**

In this chapter, the research methods of the study are discussed. First, the sample and the sampling strategy are introduced, followed by a brief description of the research design. Next, the data collection as well as the data analysis are proposed. After that, the independent, dependent and control variables, as well as their measures are described. The final section addresses the methods used to control biases in order to ensure the reliability and validity of this study.

### **3.1 Sample and Sampling Strategy**

The population of this study consists of Dutch and Indonesian university students of Tilburg University, in Tilburg, The Netherlands and Universitas Indonesia, in Jakarta, Indonesia, who did not start a company. From this population, a group was chosen which is relatively homogenous as far as key background variables are concerned. Thus, only university students in the faculty of economics and management from both universities are considered in this study.

The reliance on a student sample is suitable for examining entrepreneurial intentions, as Krueger, Reilly, and Carsrud (2000) stated that students face an immediate career choice and starting a business may be a realistic option. The relevance of young people (e.g., students) in any economy cannot be underestimated, since they are said to be the future and one of the determinants of the economic viability of a nation. The total sample consists of 400 university students equally distributed over the Dutch and Indonesian universities.

In the light of a homogenous population, a non-probability and convenience sampling strategy was used. Convenience sampling generally assumes a homogeneous population, and that one person is pretty much like another. Subjects were selected because of their convenient accessibility and proximity. However, the use of this sampling technique has several limitations such as selection bias, sampling error, and unclear generalizability. In order to reduce bias due to convenience sampling, homogenous groups were assigned within the sample (Rueckert-Hartman, 2011). For example, the questionnaire was distributed in lectures with a large number of students of the same course and phase of the course. To ensure access to respondents at Universitas Indonesia, help was received from an important gatekeeper. This gatekeeper is one of the student organizations at the faculty of economics and management at Universitas Indonesia. The questionnaires were handed out in lectures or student-related events. With

regard to getting access to Dutch respondents, questionnaires were distributed in the library of Tilburg University and lectures.

### **3.2 Research Design**

First, research objectives and hypotheses were established. The questionnaire that was then created consists mainly of closed questions and was designed in a manner to fulfil requirements such as clarity, clearness, and simplicity of the questions posed, based on relevant literature wherever possible (Proctor, 2000). Finally, test interviews were conducted to improve the questionnaire. Test persons were students from the economics and business school of Tilburg University. The purpose of the pre-test was to measure how much time it takes to complete a questionnaire, and to clarify directions, question wording, or response categories where necessary. Pre-testing helps to improve the quality of data significantly and is seen as a necessary step to reduce all kinds of errors that are associated with survey research are reduced (Grimm, 2010).

Several researchers argued that a decision on the language of the questionnaire should be a key aspect of any cross-national study design (Harzing, 2004). The choice of survey language was primarily determined by respondents' language proficiencies. In the case of surveying Dutch and Indonesian university students who are likely to possess a sufficient level of English and have been exposed to similar tertiary education, the use of single-language surveys in English is adequate (Harzing, 2006). For this reason, all participants had the same questions in the same order and with the same wording, in English. Since interpretation of the questions might differ in a cross-cultural setting, Dr. Sari Wahyuni was consulted, which resulted in restructuring three questions as far as it concerns the Indonesian questionnaire.

In order to provide a holistic view, the questionnaire consists of three main parts: the first part proposes an introduction, which clarifies the research objectives and the structure. Next, questions regarding personality characteristics, barriers to entrepreneurship, entrepreneurial education, and entrepreneurial intention were asked, while the third focuses on respondent-related information, such as demographic orientated questions.

The time horizon of the study is cross-sectional, which means that the data in this research are collected at only one period in time (Saunders & Lewis, 2012). The data used in this case study are primary and quantitative data, which means that the data is obtained by conducting questionnaires.

### **3.3 Data Analysis**

The statistical analysis was performed in two parts. First, a descriptive statistical analysis was performed to define the principal characteristics of the university students. The second part consists of structural equation modelling, which allows the examination of a set of relationships between one or more independent and dependent variables. The statistical software used was LISREL 9. Root mean square error of approximation (RMSEA) was used as fit statistic, which is a widely used assessment of misfit/fit in the applications of structural equation modelling in the behavioral sciences literature (Jackson, Gillaspay, & Purc-Stephenson, 2009). The goal of RMSEA is to establish an approximate or close fit with the model, rather than an exact fit, which is often not practical for large populations (Kaplan, 2000). An RMSEA of below 0.08 was considered as an indication a good fit (Wijanto, 2015). In order to establish the best fit of the structural equation model to the data, estimation measures methods as Maximum Likelihood, Robust Maximum Likelihood, and Weighted Least Square were used. The data analysis used for testing several hypotheses was performed by using the Two-Sample t-Test, which allows to determine whether the means of two groups differ.

### **3.4 Operationalization of the Variables**

#### **Dependent Variable**

The dependent variable of this study is entrepreneurial intention. In order to measure entrepreneurial intention, the validated scale by Astuti and Martdianty (2012) was applied. Their instrument was developed based on the modification of previous instruments developed by several authors, such as Douglas and Sheperd (2002), De Pillis and Reardon (2007), and Armitage and Conner (2001). Based on Astuti and Martdianty's study (2012), the indicators are operationalized in such a way that only most influential items of each indicator are included in this study. Each indicator consists of two questions. The measurement of the items in the questionnaire was based on five point Likert scales with 1 demonstrating 'strongly disagree' up to 5 as 'strongly agree'. According to Davidsson (1995), attitude toward challenge and achievement are the most influential items for students' attitude toward entrepreneurial behavior. Family and friends are most influential items for students' subjective norm (Kolvereid, 1996). Entrepreneurial alertness is the most influential item for students' perceived behavior control to be an entrepreneur (Kristiansen & Indarti, 2004).

<b>Dependent variable</b>	<b>Indicators</b>	<b>Items</b>
Entrepreneurial Intention	Attitude toward behavior (Outcome beliefs)	Attitude toward challenge Attitude toward achievement
	Subjective Norm	External Influence of Family and Friends
	Perceived Behavioral Control (Student's Control Belief)	Entrepreneurial Alertness

*Table 3.1 Measures Dependent Variable*

### **Independent Variables**

The independent variables in this study are Barriers to Entrepreneurship, Personality Characteristics, Social Learning Theory, and Entrepreneurial Education. Table 3.4.2. Barriers to Entrepreneurship consists of nine indicators, personality characteristics of seven indicators, social learning theory of two indicators, and entrepreneurial education of one.

To measure the barriers to entrepreneurship, the validated scale of the Barriers to Entrepreneurship Success Tool (BEST) of Hatala (2005) was employed. In addition, two indicators (Fear of Failure and Perceived Opportunities) of the Global Entrepreneurship Monitor were added in this study, with the aim of building a more robust and comprehensive model.

To measure the personality characteristics of the participants a scale of Scheiner (2009) was applied. In order to measure the personality characteristics each indicator was measured by two questions, based on a five-point Likert scale. In order to measure the Social Learning Theory, for the first indicator, Role Models, the validated scale of Bosma et al. (2011) was applied, whereas for the second indicator, Family Background, the validated scale of Scherer et al. (1990) was applied. The validated scale by Bae et al. (2014) was applied to measure the Entrepreneurial Education. For each indicator of The Social Learning Theory and Entrepreneurial Education, one question was included in the questionnaire. A sample of items is given in Appendix C1.

<b>Independent Variables</b>	<b>Indicators</b>	
Barriers to Entrepreneurship	Lack of Support Fear of Failure Lack of Confidence Time Constraints Start-up Logistics	Lack of Business Skills Perceived Opportunities Personal/Family Problems Financial Needs

Personality Characteristics	Innovativeness Persistence Independence Risk-taking Propensity	Achievement Orientation Tolerance for Ambiguity Internal Locus of Control
Social Learning Theory	Role Models Self-employment parents	
Entrepreneurial Education	Entrepreneurship Education or Training specialized in Entrepreneurship	

*Table 3.2 Measures Independent Variables*

### **3.5 Validity and Reliability**

Most researchers agree that common method variance is a potential problem in behavioral research. In this study, the respondent who is providing the measure of the predictor and criterion variable is the same person, which might result in some sources of common method biases. Other sources of common method biases are produced by the measurement item itself, the context of the items within the measurement instrument, and/or the context in which the measures are obtained.

Common method biases are considered to be one of the main sources of measurement errors, which threatens the validity of the conclusions about the relationships between measures, and can have potentially serious effects on research findings. To counter this, it was explicitly communicated in the introduction of the questionnaire that anonymity of the respondent was protected and assurances were made that there were no right or wrong answers. One of the common method biases is the consistency motif, which is likely to occur when respondents are asked to provide retrospective accounts of their behavior (Schmitt, 1994). Therefore, the items are intermixed from different constructs within one variable. Another potential cause of artificial variance in relationships is acquiescence, which was defined by Winker, Kanouse, and Ware (1982) as the tendency to agree with attitude statements regardless of content. Therefore, reversed-score items were included in the questionnaire, which requires respondents to engage in a more controlled, as opposed to automatic, cognitive processing. Both Indonesian and Dutch students filled out an English questionnaire, aiming at minimizing the impact of the complexity of the items. A translation of technical jargon or infrequently used words can lead to ambiguous items, which may cause random responding and influence the relationships between the variables (Spector, 1992). Scale format and anchors systemically influences responses (Tourangeau, Rips, & Rasinski, 2000). In order to control for this effect, the same scale format

and scale length (five-point Likert scales) was used. It provides a standardized format and therefore requires less cognitive processing.

The reliability of this study, that is the extent to which the methods used provide consistent findings is relatively high. First of all, the literature was thoroughly observed and widely discussed with several professors. In addition, the language used in the questionnaire with Dutch and Indonesian respondents remained unchanged to make sure all respondents were interviewed on the same topics. Reasons why the questionnaire was not translated in the target languages were measurement errors due to poor translation procedures, inappropriate content, insensitivity of items, and a lack of knowledge of the cultural norms by the researcher (Hunt & Bhopal, 2004). Furthermore, since questions are perceived in context, the different contexts in which translated questions are processed (different cultures) may change the perceived meaning of a well-translated question (Braun, 2003; Harkness, 2004). Thus, all participants had the same questions in the same order and with the same wording. This reduces the threat of observer error, whereas answers of the respondents may be biased by the way in which questions were proposed (Saunders & Lewis, 2012).

## CHAPTER 4 DATA ANALYSIS AND RESULTS

In this chapter, the results that are derived from the questionnaires are given, answering the fourth research question. First, the characteristics of the respondents are shown. Next, the results regarding the four different factors that influence entrepreneurial intention in the research sample are discussed.

### 4.1 Sample Characteristics

Table 4.1 presents some descriptive statistics for each country. As might be expected, differences in sample characteristics do arise between both samples. In the first place, bachelor students are overrepresented in the Indonesian sample, whereas the average age of the Dutch sample is higher. As for both samples, males are overrepresented in the sample.

<b>Sample characteristics</b>	<b>Dutch sample</b>	<b>Indonesian sample</b>
Average age	23.92	20.85
Gender	67.5% male 32.5% female	55% male 45% female
Percentage bachelor/master student	43% bachelor 57% master	86.5% bachelor 13.5% master
Average level of entrepreneurial-intention score	2.685	4.0475

*Table 4.1 Descriptive Statistics*

### 4.2 Data Analysis

The data analysis was processed through Structural Equation Modelling using a two-stage approach as proposed by Wijanto (2015). The first stage is performing the measurement model, which defines latent variables. In sections 4.2.1 and 4.2.2, reliability and validity analyses are discussed, which were performed for each subsample to determine whether various observed items can be grouped into variable groups such as has been constructed in the theoretical model. Next, the internal consistency within the items was measured by using the Construct Reliability (Wijanto, 2015). The Maximum Likelihood (ML), Robust Maximum Likelihood (RML) as well as Weighted Least Square (WLS) were used to fit structural equation models to the data. The second stage is the structural regression model which links the latent variables together and to test the relationships among latent variables. Lastly, each hypothesis was analyzed to determine whether the hypothesis is supported or rejected.

#### Measurement Model

Before the structural model is interpreted, it must be established that the measurement model fits. The relationships between the variables (both measured and latent) are shown in the



measurement model. In analyzing the measurement model, results showed that not all indicators of the theoretical model measurement models were in line with the literature review. For example, for the Indonesian sample, all reversed items of the construct of personality characteristics were not considered as significant indicators. For this reason, as far as it concerns personality characteristics, it can be concluded that Western frameworks are not applicable to the Indonesian sample. An overview of all measurement models can be found in Appendix B2, which fully meet the validity and reliability requirements as described in section 3.3.

**Structural Equation Models**

The model was tested for each sub sample by using Robust Maximum Likelihood. The Root Mean Square Error of Approximation of both samples is 0.000, which indicates that the model has a good fit. In order to fit the structural equation model, two Confirmatory Factor Analyses were performed. The first Confirmatory Factor Analysis assesses all indicators and its latent variables. Based on this analysis, the second Confirmatory Factor Analysis was performed with the indicators with the highest loading factors, which fully meet the validity and reliability requirements as described in section 3.3. Next, the structural equation model was performed. An overview of the Confirmatory Factor Analyses can be found in Appendix B3.

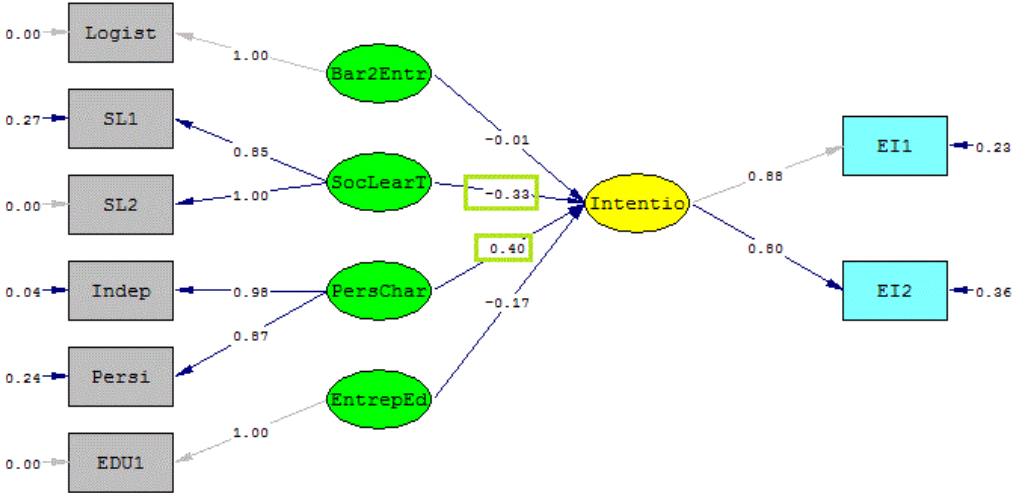


Figure 4.2 Structural Equation Model, the Netherlands

Figure 4.2 illustrates the SEM-model of the Dutch sample which indicates that the personality traits Independence and Persistence are positively associated with entrepreneurial intention. In addition, the Social Learning Theory is negatively associated with entrepreneurial intention. Barriers to Entrepreneurship and Entrepreneurial Education were not significant.

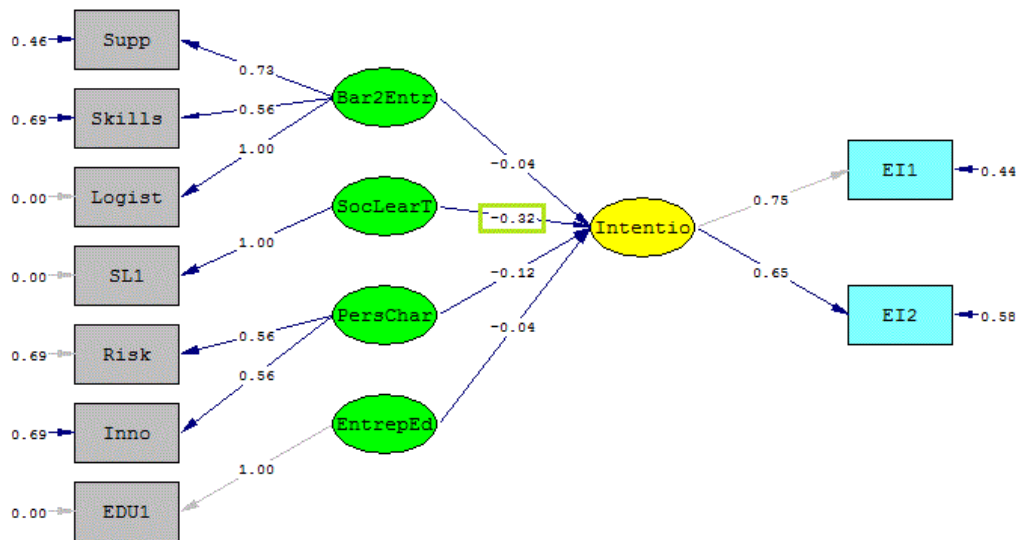


Figure 4.3 Structural Equation Model, Indonesia

The SEM-model of the Indonesian sample indicates that only the Social Learning Theory is negatively associated with entrepreneurial intention (see figure 4.3). Personality Characteristics, Barriers to Entrepreneurship and Entrepreneurial Education were not significantly related.

### Hypotheses testing

No	Description	Supported/rejected	
		Dutch sample	Indonesian sample
1a	Attitude toward behavior is positively associated with entrepreneurial intention.	Supported	Supported
1b	Subjective norm is positively associated with entrepreneurial intention.	Rejected	Rejected
1c	Perceived behavioral control is positively associated with entrepreneurial intention.	Supported	Supported
2	The entrepreneurial intentions among Indonesian university students are higher than Dutch university students.	Supported	
3a	Risk-Taking Propensity is positively associated with entrepreneurial intentions.	Rejected	Rejected
3b	Independence is positively associated with entrepreneurial intentions.	Rejected	Rejected
3c	Persistence is positively associated with entrepreneurial intentions.	Rejected	Rejected
3d	Achievement Orientation is positively associated with entrepreneurial intentions.	Rejected	Rejected

<b>3e</b>	Tolerance for Ambiguity is positively associated with entrepreneurial intentions.	Rejected	Rejected
<b>3f</b>	Innovativeness is positively associated with entrepreneurial intentions.	Supported	Rejected
<b>3g</b>	Locus of Control is positively associated with entrepreneurial intentions.	Supported	Rejected
<b>4</b>	All barriers to entrepreneurship will be negatively associated with entrepreneurial intentions among Dutch and Indonesian university students.	Rejected	Rejected
<b>5</b>	Entrepreneurship education is positively associated with entrepreneurial intentions.	Rejected	Supported
<b>6</b>	Students with self-employed parents have a higher intention of founding their own business than students without self-employed parents.	Supported	Supported
<b>7</b>	Students with a role model have a higher intention of founding their own business than students without a role model.	Supported	Supported

*Table 4.2 Hypotheses Testing*

The results of testing the hypotheses are summarized in Table 4.4. An overview of all analyses can be found in Appendix B4. Although not every hypotheses was supported, results offered valuable insights into fostering and hindering factors in relation to entrepreneurial intentions, as discussed in this chapter and the following chapter.

Hypotheses 1a, 1b and 1c assess the three general antecedents of intention derived from the theory of planned behavior of Azjen (1991). For both samples, attitude towards behavior and perceived behavior control are significantly associated with entrepreneurial intention. When it comes to items of the indicators, Dutch and Indonesian university students are mostly influenced by their entrepreneurial alertness (I love to create something different).

In order to investigate the second hypothesis, the overall entrepreneurial-intention score was used. A Two-Sample t-Test was performed in order to investigate whether the mean of the Indonesian sample is significantly higher than the mean of the Dutch sample. The results showed that the Indonesian mean is significantly higher at the 0.05 significance level. For this reason, hypothesis 2 was supported. This is in line with the Global Entrepreneurship Monitor, stating that Indonesia scores higher on entrepreneurial intention than the Netherlands. Kourilsky and Walstad (1998) argued that males are significantly more likely to be interested starting their own business than females (62%-72%). However, the results showed that, in contrast to the extant literature, the mean of entrepreneurial intention for woman is slightly higher than for man. This applies to both countries, and is not in line with several researchers

who argued that male students have a higher intention to become entrepreneurs than their female counterparts (e.g. Wang & Wong, 2004; Matthews & Moser, 1996).

Hypothesis 3 assumed that all personality traits positively influence founding intention. In testing hypothesis 3 among the Indonesian sample, surprisingly the structural equation models showed that none of the personality traits were positively associated with entrepreneurial intention. Thus, this hypothesis is rejected based on the Indonesian data of this study. The third hypothesis could only be partly supported by the Dutch sample. The results demonstrate that only Locus of Control and Innovativeness (H3f and H3g) were positively associated with entrepreneurial intention, which is in line with previous research showing the positive role of Locus of Control and Innovativeness in explaining entrepreneurial intention and behavior (Darmanto & Wahyudi, 2015; Bajaro, 1981).

Contrary to hypothesis 4, the data showed that not all of the barriers to entrepreneurship were negatively associated with entrepreneurial intention. For the Indonesian sample, Time Constraints and Lack of Support were negatively associated, whereas only Start-Up/Logistics were negatively associated with entrepreneurial intention among Dutch university students.

Hypothesis 5 investigated whether entrepreneurship education is positively associated with entrepreneurial intentions. A Two-Sample t-Test was conducted separately for the influence of entrepreneurship education on entrepreneurial intention. Findings shows that only for the Dutch sample a significant and positive effect was found. Therefore, this hypothesis was only supported for the Dutch sample.

A Two-Sample t-Test was also used to examine whether self-employment of the parents influences the entrepreneurial intention. Consistent with hypothesis 6, the data of both samples showed that self-employment of the parents positively influences the entrepreneurial intention. The largest effect size was found for the Dutch sample, followed by the Indonesian sample. Several researchers provided evidence that the business family background strongly supports the children's propensity to take up an entrepreneurial career (e.g. Scott & Twomey, 1988; Römer-Paakkanen & Rauhala, 2007).

To test hypothesis 7, an assessment was made as to whether students with a role model have a higher intention of founding their own business than students without a role model. A Two-Sample t-Test was again used, and a significant and positive effect was found for both samples. The effect of the Dutch sample was slightly higher compared with the Indonesian sample. Thus, hypothesis 7 was supported.

## **CHAPTER 5 DISCUSSION AND CONCLUSION**

This fifth and final chapter presents the discussion and conclusion of this study. The discussion section gives an overview the results in the previous section in combination with the theory provided in the theoretical framework in the second chapter. The objective of this study was twofold: academic and practical. As such, this chapter concludes with theoretical implications, suggestions for future research, limitations, and managerial implications which are based upon extensive theoretical research and tailored to the countries considered.

### **5.1 Discussion**

The aim of this section is to gain a deeper understanding of factors that foster and hinder on entrepreneurial intentions. In the discussion, the results of this study are fused together with the background information given in the introduction and theoretical basis sections of the report, and the main outcomes disclosed.

In analyzing the measurement model, interesting findings were brought to light. Surprisingly, for the Indonesian sample, all reversed items of the construct of personality characteristics were not considered as significant indicators. Since this pattern was only shown among Indonesian university students, a possible explanation for this phenomenon could be derived from a cultural perspective. It might be that the Indonesian respondents felt intimidated by the negatively worded sentences. Indonesians tend to avoid conflicts whatever the situation or conditions, and, ultimately, seek to find harmony in life.

The results also showed that, in contrast to the extant literature, the mean of entrepreneurial intention for women is significantly slightly higher than for men. This applies to both countries, and is not in line with several researchers who argued that male students have a higher intention to become entrepreneurs than their female counterparts (e.g. Wang & Wong, 2004; Matthews & Moser, 1996). Social feminism is seen as an appropriate theory to explain gender-related differences (Fischer, Reuber, & Dyke, 1993). From the social feminism perspective, Fischer et al. (1993) argued that men and women are fundamentally the same, but differ in their points of view due to different experiences from the earliest moments of life. For this reason, a possible explanation for both samples could be found in the socio-political and societal spheres the students were born. As described by Irawanto (2011), in the so-called new era (1998-present) Indonesian students dare to be independent, despite the social pressures for cohesiveness. Female entrepreneurship could be a side effect of this. Based on the Global Gender Report

(2014), the Netherlands ranks a 14<sup>th</sup> place out of 144 countries. Therefore, the gender gap in the Netherlands is considered to be less wide and could be a possible explanation (World Economic Forum, 2014).

Results indicate that Attitude towards behavior plays the biggest role among the antecedents of entrepreneurial intention. The strength of the relation is slightly higher among Dutch university students (0.56 versus 0.54). A high degree of Attitude towards behavior illustrates a basic prerequisite for the transition from intention to activity (Scheiner, 2008). As far as it concerns perceived behavioral control, the strength of the relationship among Indonesian university students is higher (0.43 versus 0.25).

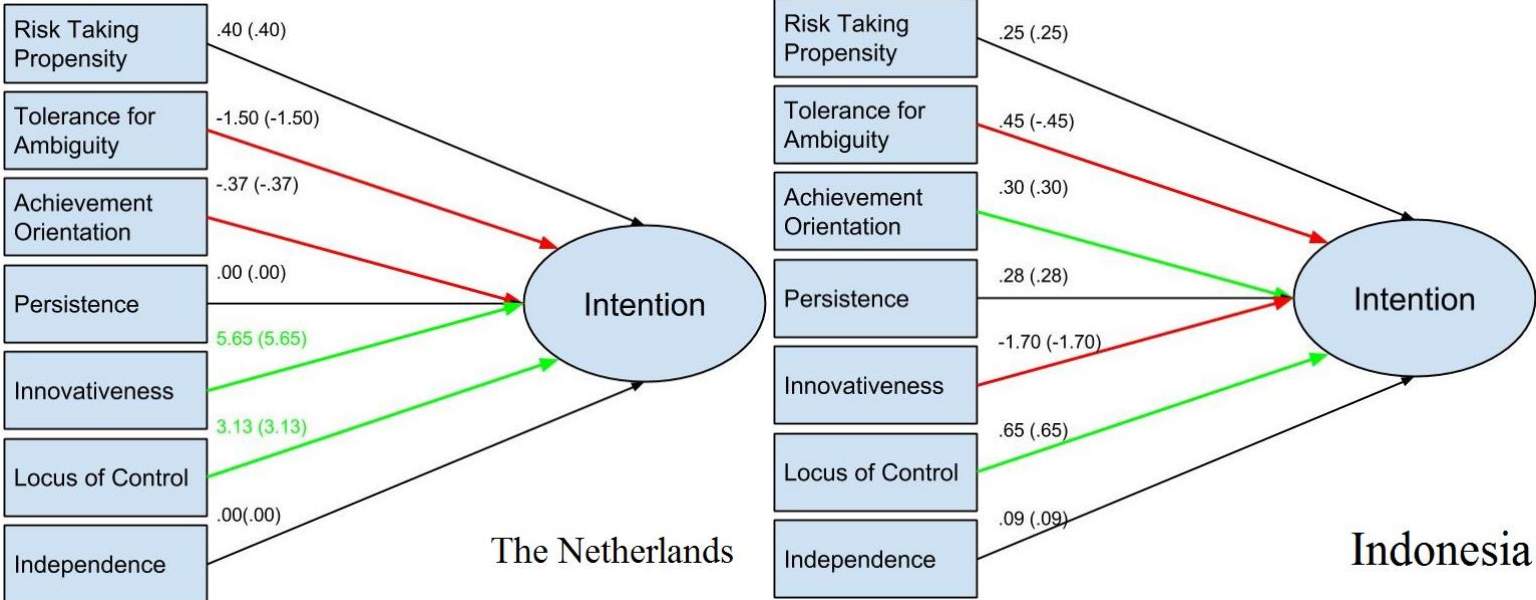


Figure 5.1. Personality Characteristics

In the Dutch sample, only Locus of Control and Innovativeness were significantly, positively associated with entrepreneurial intention. Although not all personality traits were significantly related, the strength of the dimensions of the personality traits in relation to entrepreneurial intention offers essential insights, which increases the understanding of the fundamental determinants of entrepreneurship. For the Dutch sample, Innovativeness (5.65) and Locus of Control (3.13) positively influenced entrepreneurial intention. This is in line with Porter’s typology (2002), which identifies the Netherlands as an innovation-driven economy, and Beukman’s theory (2005) that Dutch individuals have more internal locus of control than Indonesian individuals. The combination of the two factors can be explained by Lefcourt (1982), who stated that people with an internal locus of control tended to be adapted at coping problems in hostile environment. The Dutch market can be considered as a highly competitive

market in a worldwide perspective (WEF, 2014), which can lead to innovation. Negatively influencing personality traits in relation to entrepreneurial intention are Tolerance for Ambiguity (-1.50) and Risk-taking Propensity (-0.40). In sum, Dutch university students are positively influenced by the ability to be innovative and the belief that rewards in life are guided by their own decisions and efforts, and are negatively influenced by the discomfort of not knowing the outcome of an action and reluctance towards taking chances with respect to risk of loss. However, future studies should focus on whether these negatively influencing personality traits are significantly associated with entrepreneurial intention.

For the Indonesian sample, Locus of Control (0.65) and Achievement Orientation (0.30) positively influenced entrepreneurial intention, whereas Innovativeness (-1.70) and Tolerance for Ambiguity (-0.45) negatively influenced entrepreneurial intention. Support can be found in Hofstede's (1980) masculinity measure, which identifies Indonesia to be achievement-oriented. In Indonesian culture, the indigenous concept of *kawulogusti* is endorsed widely. Also, religion is a powerful force in the Indonesian society, which is incubated in *Pancasila*: the philosophical foundation of the Indonesian state. As expected, Indonesians are not known for innovativeness and Indonesians tend to place high value on (job) security (Geertz, 1961). Thus, Indonesian university students are positively influenced by meeting or exceeding a high standard of success and the belief that rewards in life are guided by own decisions and efforts, and negatively influenced by the ability to be innovative and reluctance towards take chances with respect to risk of loss. Nevertheless, future studies should investigate whether these personality traits are significantly positively or negatively associated with entrepreneurial intention.

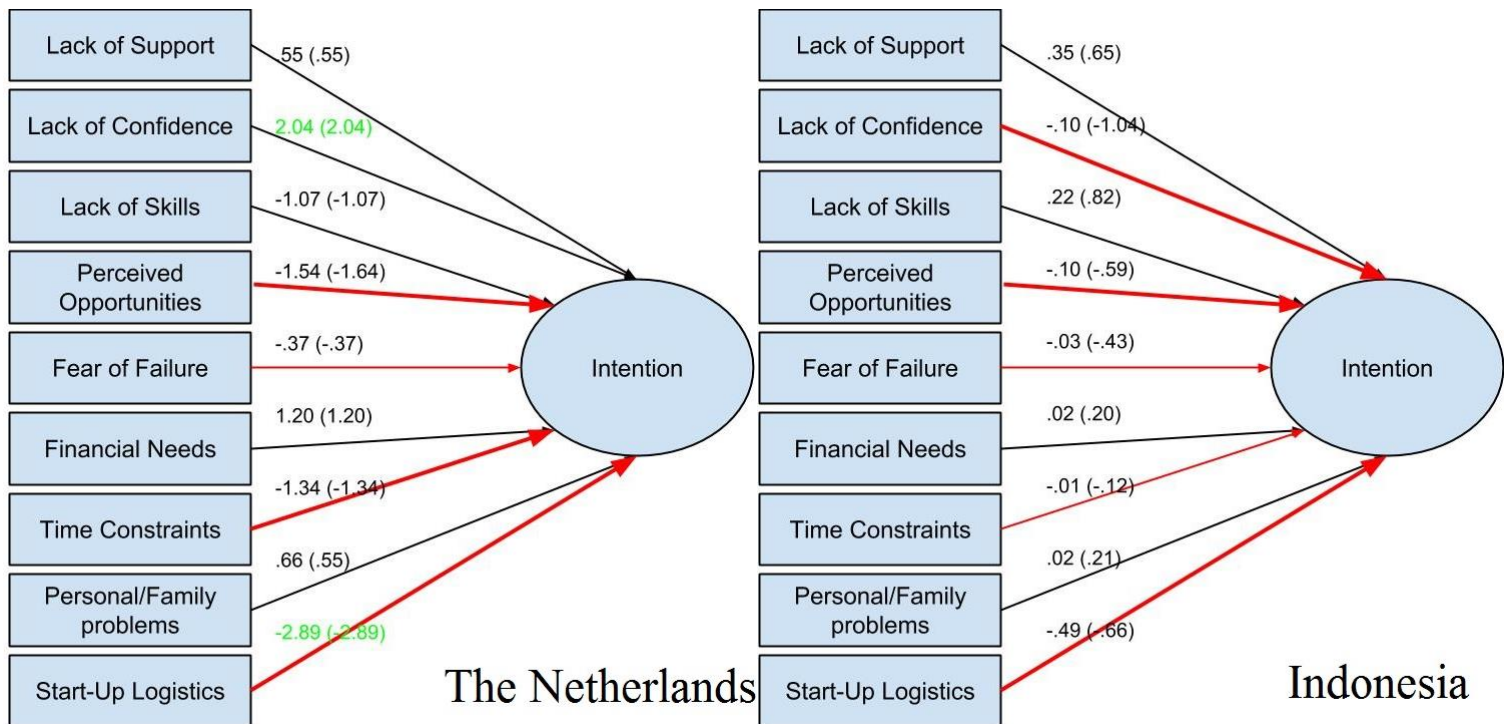


Figure 5.2 Barriers to Entrepreneurship

Although not all barriers were negatively associated with entrepreneurial intention, the findings offered valuable insights into which specific dimension or item could act as a hindering factor. Firstly, the strength of the dimensions of the barriers in relation to entrepreneurial intention showed that Start-Up Logistics was listed as the most negatively associated barrier for both samples. The second most negatively associated barrier for the Dutch sample is Perceived Opportunities. This is not in line with the Global Entrepreneurship Monitor, which used the same measurement and argued that perceived opportunities measures are almost twice as high in efficiency-driven economies as in innovation-driven economies. Availability of (good) job alternatives in an economy and the perceptions of others can make a difference for those perceiving market opportunities (Amoros & Bosma, 2014). For the Indonesian sample, Lack of Confidence was considered as second most negatively associated barrier. This barrier results from an overall lack of confidence relating to an individual's experience and background.

Furthermore, items scoring the highest means of the Indonesian and Dutch sample are listed in Table 5.1. Items of the Time Constraints barrier scored the highest mean among Indonesian university students. Since bachelor students are overrepresented in the sample, an explanation could be that Indonesian university students, in terms of time and efforts, prioritize their education over founding a business. Findings indicate that items of Financial Needs score the highest means among Dutch university students. A reason why Dutch university students are confronted with the lack of sufficient financial resources can be derived from the financial crisis



starting in 2008. In terms of the success and rejection rates of the applications for bank loans, the Netherlands scores relatively low and holds a third place in comparison to all 28 Europe Union countries (European Commission, 2014).

<b>Indonesian sample</b>	<b>Mean</b>	<b>Dutch sample</b>	<b>Mean</b>
Because I needed to research my idea more thoroughly (Time Constraints).	3,73	Because of the attitude of banks towards start-up companies (Financial Needs).	3.79
Because I had other events or activities going on in my life, I didn't have the time to start my business (Time Constraints).	3.68	Because I missed the seed capital (Financial Needs).	3.41

*Table 5.1 Means of Barriers to Entrepreneurship items*

With regard to hypothesis 5, empirical results provided contrary results. Entrepreneurial education was not positively associated with entrepreneurial intention for the Indonesian sample. A possible explanation for this difference among the samples can be found in the entrepreneurial climate and culture. Indonesia is on course to become the seventh-largest economy worldwide in 2030, from the 16<sup>th</sup> largest today (McKinsey, 2012). Taking into account that only students of the economics faculty participated in the study, the awareness of this enormous promise and potential might foster the entrepreneurial spirit more than entrepreneurial education. Results on whether students would like to be involved in entrepreneurial education in the future showed clear differences. Although the Indonesian sample showed a higher rate of involvement in entrepreneurial education, significantly more Indonesian university students are in favor of getting (even more) involved in entrepreneurial education.

In line with extant literature, hypothesis 6 provided empirical evidence of the fostering effect of Social Learning Theory in relation to entrepreneurial intentions among both samples. Indonesia, with a low score on the Individualism measure of Hofstede (1981), is a Collectivist society, which means that individuals are expected to conform to the ideals of the society and the in-groups (family) to which they belong. With regard to the Dutch sample, evidence provided for this hypothesis can be derived from the seventh hypothesis, which indicates that Dutch university students recognize family members and friends as their role models.

By analyzing hypothesis 7, an interesting finding was brought to light. Indonesian university students recognized icons significantly more as their role models. For the Dutch sample, their role model is someone (s)he knows personally and with whom (s)he frequently interacts, such as family members or friends. The power distance measure of Hofstede (1980) can be a possible explanation of this cultural difference. Indonesian university students tend to worship their

superiors and leaders, whereas Dutch students tend to look to next-door examples. A study conducted by Bosma et al. (2011) identified icons as ‘weak ties’ and relatives/friends as ‘strong ties’. Empirical evidence was given that weak-tie networks fulfil a different function than strong-tie networks. Weak ties provides access to new information and knowledge which may help entrepreneurs to explore new horizons and eventually expand the business, whereas strong-tie networks may be more useful in providing mental and practical support (mentoring).

In light of the two country samples, attention is paid to motives toward founding a business. Brush (1992) found that male and female entrepreneurs have more similarities than differences. A shortlist of Morris and Schindehutte was used to identify the motives to start an own business. Career dissatisfaction and child rearing was a strong motivator for women, whereas money was a strong motivator for men (Shane et al., 1991). In the Indonesian sample, “Getting rich/achieving wealth” was named as the most important motive that could drive students towards entrepreneurship. Money and financial gain was identified by Shane et al. (1991) and Bradley and Boles (2003) as a significant and strong motivation for both men and women. As far as it concerns the Dutch sample, the most important factor to become self-employed is “A desire for independence”. Concerning potential entrepreneurs (students), Heinemann and Welter (2007) found that motives that did not have to do with money were more important for students than money-based motives. For both countries, no differences could be found between the two genders in motives for becoming self-employed. The findings are in accordance with literature on existing entrepreneurs, which argues that there are more similarities than differences among the two genders (Birley, 1989; Brush, 1992).

## **5.2 Limitations and Implications for Research**

This study is prone to a number of limitations, which, at the same time, provide possible avenues for future research. First of all, this study does not thoroughly discuss the role of demographic factors such as age and gender. Future studies could examine whether gender-specific and age-specific differences between the Netherlands and Indonesia exist.

Furthermore, because the sample size includes only university students of the economics and/or business schools of Tilburg University and Universitas Indonesia, it might be difficult to generalize the results across populations and geographical settings. First, the study deliberately focused solely on university students in the school of economics, and/or business in an attempt to compare similar students from both countries. Otherwise, results might be biased, which

affects the explanatory content. Therefore, it would be necessary to also include students from other educational programs, as well as students at various stage of their education in the survey to exclude study- and age-related biases. Second, only two universities were included in the survey. Results could be regionally or ethnically bound. Future research could include several universities in the Netherlands and Indonesia to increase the representativeness of the results.

Moreover, findings might not be generalizable to the population at large. While university students may desire to pursue an entrepreneurial career, this may not represent all students or persons with similar age or gender characteristics. As argued by Mueller (2004), in less developed countries with masculine and traditional cultures, university students represent the educated elite (Shinnar, Giacomini, & Janssen, 2012). Third, since Indonesia is an archipelago, the results might be different from island to island due to cultural, social or economic development differences. Also, data on governments and university policies and/or programs aimed at promoting or enhancing entrepreneurship were not included in this study. Policies and/or programs may differ significantly across the nations and universities, which may influence individual perceptions and intentions. Fourth, the research is based on a sample of the Netherlands and Indonesia, so it might be difficult to generalize the results to other countries. Due to fact that the Netherlands is part of the European Union (EU), results might be applicable for at least the countries within EU, whereas in the case of Indonesia, results might hold for at least South East Asian countries. However, additional research is needed to check the assumptions, since each country has its own cultural, social or economic development differences, which might affect behavior.

Since a cross-sectional study was conducted, the primary limitation is that there is generally no evidence of a relationship between intention and behavior. The nature of a cross-sectional study makes it difficult to make causal inferences. Both Indonesian and Dutch students filled out an English questionnaire. Research shows that English-language questionnaires lead to significantly less extreme response styles than questionnaires in a respondent's native language, thus underestimating cross-country differences (Harzing, 2006).

Another limitation in generalizability arises from the fact that the research took place in a specific time period, which may lead to different results if another time-frame had been chosen. Longitudinal studies should focus on whether students' intention to become self-employed has become reality and if the fostering and inhibiting factors influencing entrepreneurial intention

among university students change over time. If entrepreneurial intention has become entrepreneurial activity, future research could consider an evaluation of characteristics of the startup such as turnover, business growth and self-realization of the founder.

### **5.3 Implications for Practice**

In this section, important practical implications for educators, governmental organizations aiming at promoting entrepreneurship, policy makers, and program evaluators are shown. With regard to barriers, Hatala's study (2005) suggested approaches to take away the barriers in order to assist in the process of becoming self-employed. An overview is shown in Table 5.3. For both samples, Start-Up Logistics was listed an important hindering factors. The approaches for overcoming the Start-Up Logistics barrier as designed by Hatala (2005) propose that a consulting or training program is required for specific issues relating to a start-up. The program should aim at discussing issues ranging from business development to government standards.

For the Dutch sample, Perceived Opportunities and Financial Needs were listed as vital barriers to entrepreneurship. With regard to Perceived Opportunities, McMullen and Shepherd (2006) argued that individuals first react to opportunities when they see them – only afterwards are considerations about desirability and feasibility made. This can be mended by individual consulting or training. Items of the Financial Needs barrier scored the highest mean among Dutch university students. With regard to overcoming the Financial Needs barrier, individual consulting should be carried out. One-on-one counselling compared to group work may to prove to be more beneficial to alleviate the barrier.

Besides Start-Up Logistics, Lack of Confidence and Time Constraints were listed as important barriers to entrepreneurship for the Indonesian sample. Lack of Confidence is considered to be an intrinsic barrier and needs to be dealt with on an individual level. The approach to overcome this barriers is to address the self-esteem issues of the clients and it requires reinforcements. Furthermore, items of the Time Constraints score highly among Indonesian university students. In order to overcome the Time Constraints barrier, a consulting or training program is required to list priorities and expectations. Individual feedback can be given, once the individual was able to see first-hand what time commitment is required to become self-employed.

For both countries, program planners and administrators of universities can develop the curriculum in such a way that it meets the needs of the university students, which are described

in Table 5.3. Since Innovativeness and Locus of Control was found to predict entrepreneurial intention for the Dutch sample, career counselors and educators must emphasize on these personality characteristics in order to promote entrepreneurship. Results of this study brought to light that almost two third of Indonesian students would like to get involved in entrepreneurial education.

<b>Barrier Classifications</b>				
<b>Sample</b>	<b>Barrier</b>	<b>Type</b>	<b>Approaches for overcoming</b>	<b>Form of delivery</b>
Indonesian sample	Start-Up Logistics	Extrinsic	Individual or training required for specific issues relating to start-up	Training/ Consulting
	Time Constraints	Extrinsic	List priorities and expectations	Training/ Consulting
	Lack of Confidence	Intrinsic	Client needs to address self-esteem issues and requires reinforcements	Training/ Consulting
Dutch sample	Start-Up Logistics	Extrinsic	Individual or training required for specific issues relating to start-up	Training/ Consulting
	Financial Needs	Extrinsic	Individual consulting on issues relating to financial resources	Individual Consulting
	Perceived Opportunities	Intrinsic	Individual or training required for specific issues relating to desirability and feasibility	Training/ Consulting

*Table 5.2 Barrier Classifications*

Asian governments are known to play an essential role in their country's economic development (Ang & Hong, 2000). For this reason, governmental organizations can play a big role in fostering the entrepreneurial spirit. Since icons are overrepresented as role models, the government should mount an advertising and informational campaign, focusing on young successful entrepreneurs and their success stories to encourage and inspire young Indonesians to take charge of their economic future by starting businesses. Results showed that entrepreneurial spirit is driven by a motivation for getting rich and achieving wealth. In order to not let the entrepreneurial spirit disappear when such goals are realized, entrepreneurs should set specific goals for each project. Since family is a central concept in the Indonesian society, an example of a specific goal can be the money needed for a daughter's education or son's wedding. This message can be communicated through the above mentioned training program or campaign.

In light of the aftermath of the European economic crisis, the nurturing of entrepreneurs to jumpstart the economy becomes even more critical. Efforts may be directed at positioning the crisis as an opportunity to start a new business, as the cost of operations of a startup is relatively low. In addition, potential entrepreneurs may be encouraged to take matters into their own

hands, which fosters internal locus of control, and not let the external economies dictate their actions. Since a lack of sufficient financial resources was considered as an important barrier, government's bodies aiming at stimulating entrepreneurship should attempt to intensify their network relationships with external financiers such as banks and investors. Starting point should be increasing the willingness of investors to invest and the willingness of banks to provide loans and trade credit. However, the focus should be on encouraging growth oriented, sustainable and innovative firms, and not solely on fostering more start-ups. This study is consistent with extant literature when it comes to the positive effect of entrepreneurship education. Governmental organizations should target strategies with a greater focus on the role of small firms, by encouraging students to think of themselves as employers rather than employees in the labor market. Entrepreneurial education should be included into the regular curriculum, not only at university level but at any education level.

The findings also have implications for the hiring and training of employees in an entrepreneurial setting. In particular for the Dutch companies, screening tests based on innovativeness, internal locus of control, and drive for independence can be used to identify which employees are more suited to work in an entrepreneurial environment. Matching the task requirements to personality will ensure that the right person is chosen for each job. Moreover, training on unleashing the creative potential and setting internal locus of control can be instituted to nurture an entrepreneurial spirit among selected employees.

#### **5.4 Conclusion**

This paper sought to add to our knowledge about forces that positively and negatively affect an individual's decision to start a business. The comparison of fostering and inhibiting factors in relation to founding intention between Indonesian and Dutch university students showed significant differences as well as similarities. As far as the rate of entrepreneurial intention, Indonesian students score on average higher than Dutch students. The relation between Social Learning Theory and entrepreneurial intention was positive for both groups. For the Dutch sample, the results demonstrated that Innovativeness and Locus of Control were positively associated with entrepreneurial intention. Also, a positive relationship between entrepreneurship education and the intention was found, solely for the Dutch university students. Furthermore, this study offers deeper insights into the early phase of the new venture creation process for researchers as well as practitioners who are engaged in the field of entrepreneurship.

## APPENDIX A1

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## APPENDIX A2

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## APPENDIX B1 DESCRIPTIVE STATISTICS

### Entrepreneurial Intention

<b>Means</b>		
	Indonesia	The Netherlands
I love to prepare everything to be an entrepreneur.	3.76	2.78
I am determined to have my own business in the future.	4.335	2.72

### AGE

<b>Age</b>	<b>Country</b>	
	<b>Indonesia</b>	<b>The Netherlands</b>
17	3	0
18	22	0
19	46	1
20	61	1
21	33	1
22	10	35
23	2	28
24	2	59
25	5	57
26	0	17
27	2	1
28	3	0
29	3	0
30	2	0
31	1	0
33	1	0
35	2	0
38	1	0
40	1	0
<b>Average</b>	20.85	23.92
<b>Total</b>	<b>200</b>	<b>200</b>

### GENDER

<b>Gender</b>	<b>Country</b>	
	<b>Indonesia</b>	<b>The Netherlands</b>
Man	90	110
Woman	135	65
<b>Total</b>	<b>200</b>	<b>200</b>

## UNIVERSITY PROGRAM

Indonesia		
Program	Bachelor	Master
Accounting	6	0
Agribusiness	1	0
Banking	0	4
Economics	2	0
Finance	4	0
HR Management	2	0
Human Resource Development	2	0
Islamic Business	2	0
Management	122	6
Marketing	30	2
Operational Management	2	0
Strategic Management	0	15
<b>Total</b>	<b>173</b>	<b>27</b>

The Netherlands		
Program	Bachelor	Master
Bsc Business Economics	50	0
Bsc Tax Law Economics	36	0
Msc Accounting	0	30
Msc Finance	0	27
Msc Marketing Management	0	28
Msc Strategic Management	0	29
<b>Total</b>	<b>86</b>	<b>114</b>

## SELF-EMPLOYMENT PARENTS

<i>Is your father of mother self-employed?</i>	Country	
	Indonesia	The Netherlands
Yes, my father is self-employed.	50	78
Yes, my mother is self-employed.	31	16
No, my father and mother are not self-employed.	119	106

## EDUCATIONAL BACKGROUND PARENTS

What is the educational background of your father?	Country	
	Indonesia	The Netherlands
Low	42	18
Middle	92	64
High	56	66
University	10	52

What is the educational background of your mother?	Country	
	Indonesia	The Netherlands
Low	55	46
Middle	107	65
High	32	54
University	6	35



### BARRIERS WITH HIGHEST MEAN SCORES

	<b>The Netherlands</b>	<b>Indonesia</b>
Fin2	<b>3.79</b>	
Time2		<b>3.73</b>
Time3		<b>3.68</b>
Time1	<b>3.165</b>	<b>3.405</b>
Fin3	<b>3.405</b>	<b>3.265</b>
Skills3		<b>3.335</b>
Supp4	<b>2.72</b>	
Conf1	<b>2.96</b>	

### ROLE MODELS

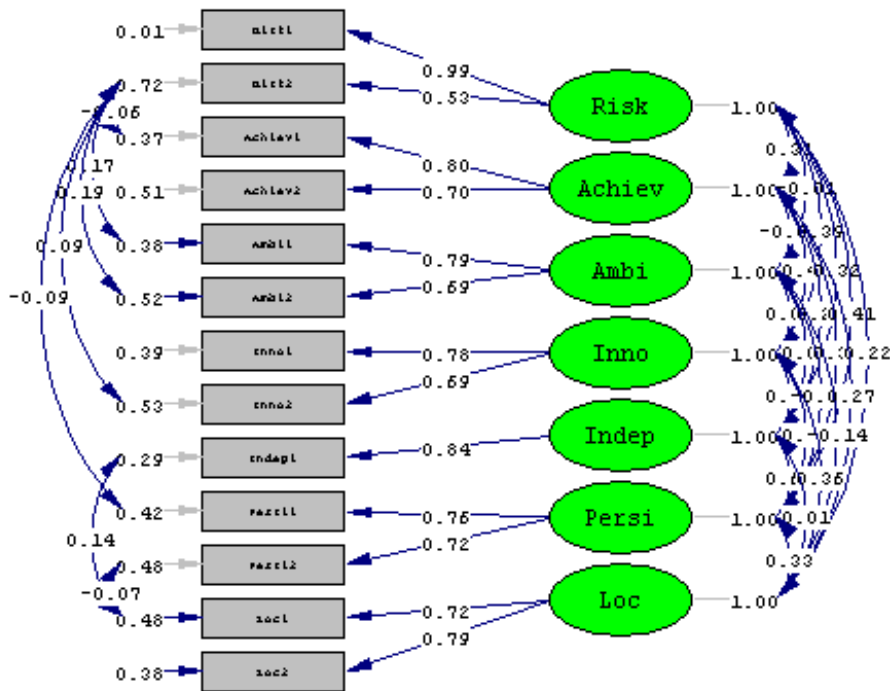
	<b>The Netherlands</b>	<b>Indonesia</b>
<b>Yes, role model</b>	<b>81</b>	<b>94</b>
<b>Friends/family</b>	<b>62</b>	<b>66</b>
<b>Icons</b>	<b>19</b>	<b>28</b>

### MOTIVES TO ENTREPRENEURSHIP (2 answers per respondent)

	<b>Country</b>	
	<b>Indonesia</b>	<b>The Netherlands</b>
Make a living and support their family	60	42
A desire for independence	78	133
Achievement/to meet a challenge	56	74
Helping people by creating jobs	65	-
Expressing themselves through their business	28	13
Getting rich/achieving wealth	100	43
Continue family business	9	12
Limited career opportunities	3	83
Supporting the ethnic community	1	-
<b>Total</b>	<b>400</b>	<b>400</b>

## APPENDIX B2 MEASUREMENT MODELS

### Path Diagram – Robust Maximum Likelihood - Standardized Solution – Personality - Indonesian and Dutch Sample



Chi-Square=163.57, df=46, P-value=0.00000, RMSEA=0.080

Set error variance of Indep1 to 0.25  
 Set error variance of Achiev1 to 0.40  
 Set error variance of Inno1 to 0.40  
 Set error variance of Persi1 to 0.35

Let error covariance of Inno2 and Risk2 free  
 Let error covariance of Ambi1 and Risk2 free  
 Let error covariance of Persi1 and Risk2 free  
 Let error covariance of Loc1 and Persi2 free

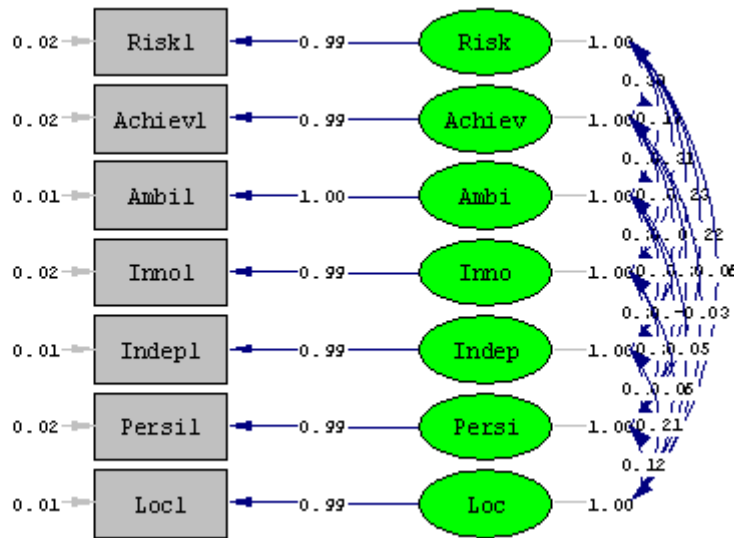
Set error variance of Achiev2 to 0.40  
 Set error variance of Persi2 to 0.32  
 Set error variance of Inno2 to 0.40

Let error covariance of Ambi2 and Risk2 free  
 Let error covariance of Loc1 and Indep1 free  
 Let error covariance of Achiev1 and Risk2 free  
 Dropped Indep2, due to low loading factor

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	46	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.080	Good fit
Normed Fit Index (NFI)		0.90	Good fit
Non-Normed Fit Index (NNFI)		0.87	Good fit
Incremental Fit Index (IFI)		0.92	Good fit
Relative Fit Index (RFI)		0.82	Good fit

Reliability	
	Construct Reliability (CR); $\geq$ 0.7
Risk	$(0.99 + 0.53)^2 / (0.99 + 0.53)^2 + 0.01 + 0.72 = 0.76$
Achiev	$(0.80 + 0.70)^2 / (0.80 + 0.70)^2 + 0.37 + 0.51 = 0.72$
Ambi	$(0.79 + 0.69)^2 / (0.79 + 0.69)^2 + 0.38 + 0.52 = 0.71$
Inno	$(0.78 + 0.69)^2 / (0.78 + 0.69)^2 + 0.39 + 0.53 = 0.70$
Indep	$(0.84)^2 / (0.84)^2 + 0.029 = 0.71$
Persi	$(0.76 + 0.72)^2 / (0.76 + 0.72)^2 + 0.42 + 0.48 = 0.71$
Loc	$(0.72 + 0.79)^2 / (0.72 + 0.79)^2 + 0.48 + 0.38 = 0.73$

**Path Diagram – Maximum Likelihood - Standardized Solution – Personality - Indonesian Sample**

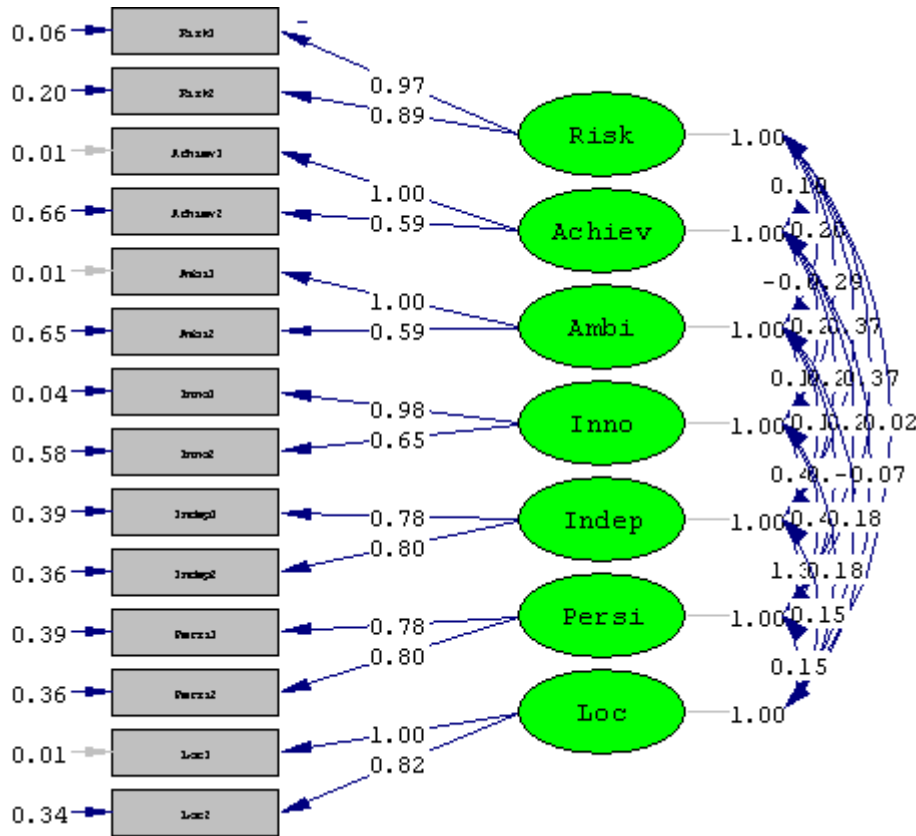


Set error variance of Risk1 to 0.01  
 Set error variance of Amb1 to 0.01  
 Set error variance of Inno1 to 0.01  
 Set error variance of Achiev1 to 0.01  
 Set error variance of Indep1 to 0.01  
 Set error variance of Persi1 to 0.01  
 Set error variance of Loc1 to 0.01  
 Admissibility check OFF  
 Iterations 500

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	0	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.000	Perfect fit
Minimum Fit Function Chi-Square		0.00 (P = 1.00)	Perfect fit
Normal Theory Weighted Least Squares Chi-Square		0.00 (P = 1.00)	Perfect fit
The Model is Saturated, the Fit is Perfect !			

Reliability	
	Construct Reliability (CR); $\geq$ 0.7
Risk	$(0.99)^2 / (0.99)^2 + 0.02 = 0.98$
Achiev	$(0.99)^2 / (0.99)^2 + 0.02 = 0.98$
Ambi	$(1.00)^2 / (1.00)^2 + 0.01 = 1.01$
Inno	$(0.99)^2 / (0.99)^2 + 0.02 = 0.98$
Indep	$(0.99)^2 / (0.99)^2 + 0.01 = 1.01$
Persi	$(0.99)^2 / (0.99)^2 + 0.02 = 0.98$
Loc	$(0.99)^2 / (0.99)^2 + 0.01 = 1.01$

**Path Diagram – Robust Maximum Likelihood - Standardized Solution – Personality - Dutch Sample**

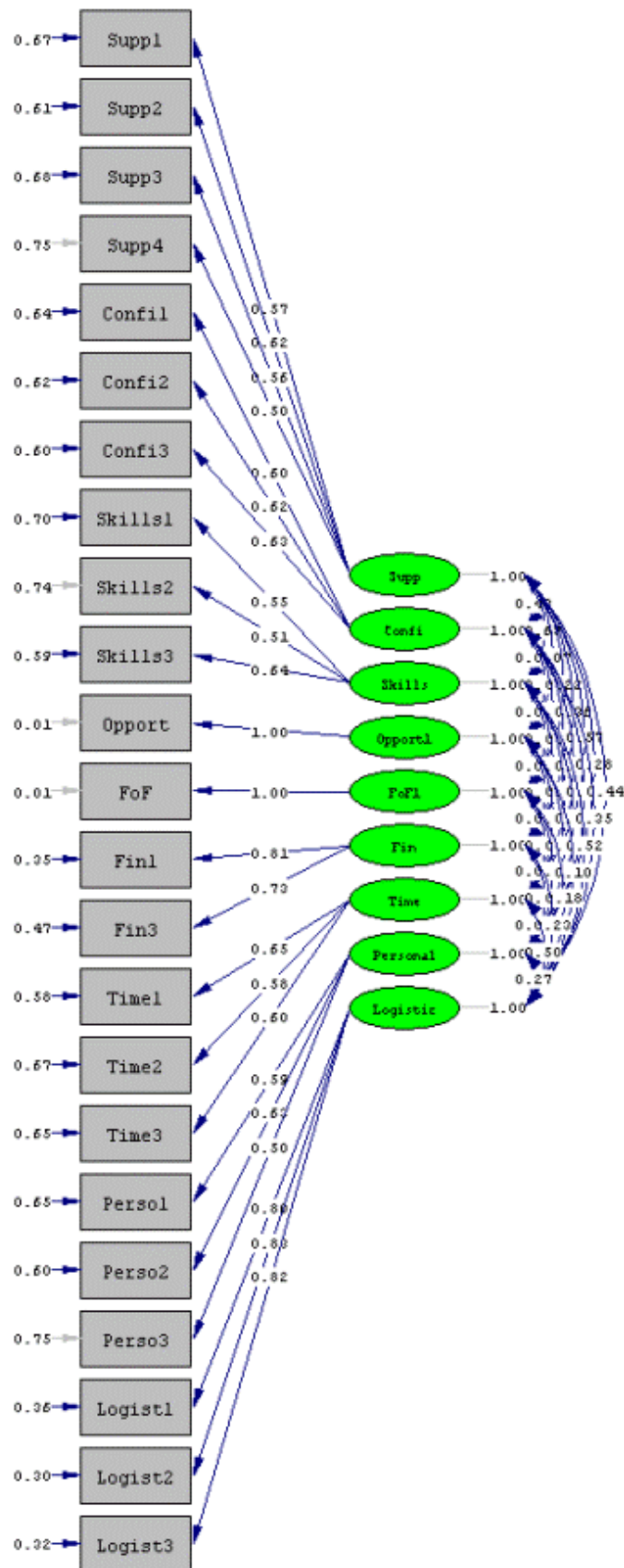


Set error variance of Achiev1 to 0.01  
 Set error variance of Ambi1 to 0.01  
 Set error variance of Loc1 to 0.01  
 Let error covariance of Persi1 and Indep1 free  
 Admissibility check off  
 Iterations 500

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	51	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.000	Good fit
Normed Fit Index (NFI)		0.97	Good fit
Non-Normed Fit Index (NNFI)		1.00	Good fit
Incremental Fit Index (IFI)		1.00	Good fit
Relative Fit Index (RFI)		0.95	Good fit

Reliability	
	Construct Reliability (CR); $\geq$ 0.7
Risk	$(0.97 + 0.89)^2 / (0.97 + 0.89)^2 + 0.06 + 0.20 = 0.928$
Achiev	$(1.00 + 0.59)^2 / (1.00 + 0.59)^2 + 0.01 + 0.66 = 0.706$
Ambi	$(1.00 + 0.59)^2 / (1.00 + 0.59)^2 + 0.01 + 0.65 = 0.795$
Inno	$(0.98 + 0.65)^2 / (0.98 + 0.65)^2 + 0.04 + 0.58 = 0.810$
Indep	$(0.78 + 0.80)^2 / (0.78 + 0.80)^2 + 0.39 + 0.36 = 0.768$
Persi	$(0.78 + 0.80)^2 / (0.78 + 0.80)^2 + 0.39 + 0.36 = 0.768$
Loc	$(1.00 + 0.82)^2 / (1.00 + 0.82)^2 + 0.01 + 0.34 = 0.904$

**Path Diagram – Method Weighted Least Square - Standarized Solution - Barriers to Entrepreneurship– Indonesian and Dutch sample**

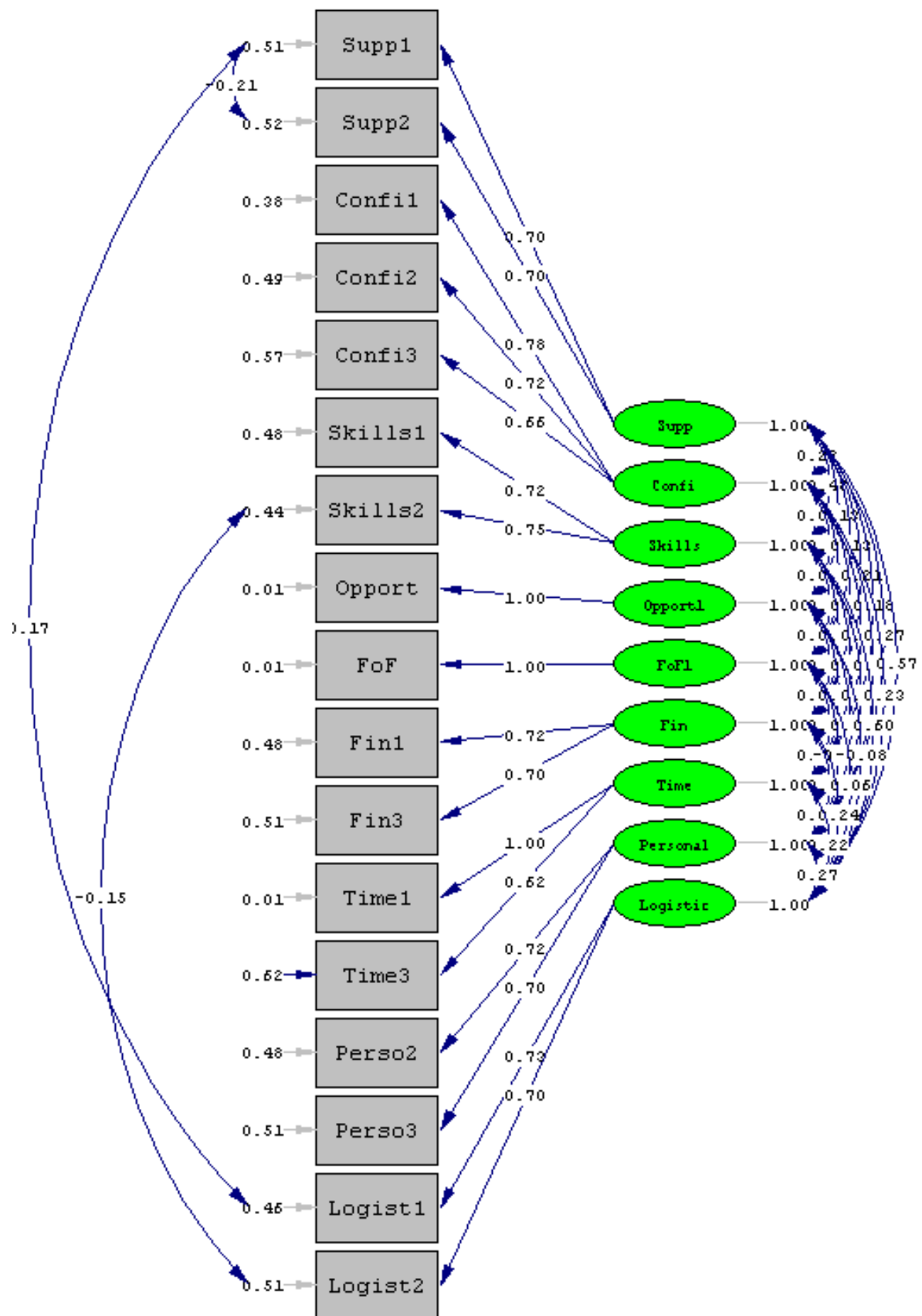


Chi-Square=689.79, df=199, P-value=0.00000, RMSEA=0.079

Set error variance of Opport to 0.01  
 Set error variance of FoF to 0.01  
 Set error variance of Perso3 to 0.68  
 Set error variance of Skills2 to 0.70  
 Set error variance of Supp4 to 0.75  
 Dropped Fin2, due to low loading factor

<b>Goodness of Fit Statistics</b>	<b>Target</b>	<b>Outcome</b>	
Degrees of Freedom	-	51	
Root Mean Square Error of Approximation (RMSEA)	$RMSEA \geq 0.08$	0.079	Good fit
Normed Fit Index (NFI)		0.91	Good fit
Non-Normed Fit Index (NNFI)		0.91	Good fit
Incremental Fit Index (IFI)		0.93	Good fit
Relative Fit Index (RFI)		0.88	Good fit

**Path Diagram – Robust Maximum Likelihood - Standardized Solution - Barriers to Entrepreneurship–Indonesian sample**



Chi-Square=217.78, df=96, P-value=0.00000, RMSEA=0.080

Set error variance of Opport to 0.01  
Set error variance of Time1 to 0.01

Set error variance of FoF to 0.01

Set error variance of Supp1 to 0.50  
Set error variance of Logist2 to 0.55  
Set error variance of Fin1 to 0.60  
Set error variance of Perso3 to 0.50  
Set error variance of Fin3 to 0.50  
Set error variance of Confi2 to 0.50  
Set error variance of Skills1 to 0.50

Set error variance of Supp2 to 0.50  
Set error variance of Logist1 to 0.40  
Set error variance of Perso2 to 0.50  
Set error variance of Skills2 to 0.40  
Set error variance of Confi3 to 0.50  
Set error variance of Confi1 to 0.50

Set error covariance of Logist1 and Supp1 free  
Set error covariance of Logist2 to Skills2 free

Set error covariance of Supp2 to Supp1 free

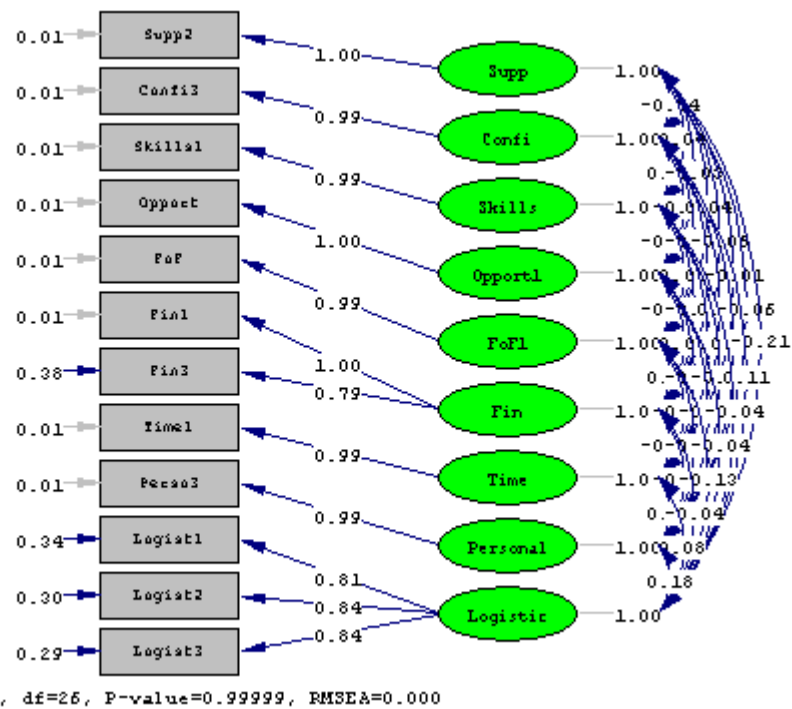
Dropped Supp3, Supp4, Skills3, Fin2, Time2, Perso1 and Logist3, due to low loading factor.

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	96	
Root Mean Square Error of Approximation (RMSEA)	$RMSEA \geq 0.08$	0.080	Good fit
Normed Fit Index (NFI)		0.77	Good fit
Non-Normed Fit Index (NNFI)		0.79	Good fit
Incremental Fit Index (IFI)		0.86	Good fit
Relative Fit Index (RFI)		0.68	Good fit

Reliability	
	Construct Reliability (CR); $\geq 0.7$
Supp	$(0.70 + 0.70)^2 / (0.70 + 0.70)^2 + 0.51 + 0.52 = 0.76$
Confi	$(0.78 + 0.72 + 0.66)^2 / (0.78 + 0.72 + 0.66)^2 + 0.38 + 0.49 + 0.57 = 0.76$
Skills	$(0.72 + 0.75)^2 / (0.72 + 0.75)^2 + 0.48 + 0.44 = 0.70$
Opport	$(1.00)^2 / (1.00)^2 + 0.01 = 1.01$
FoF	$(1.00)^2 / (1.00)^2 + 0.01 = 1.01$
Fin	$(0.72 + 0.70)^2 / (0.72 + 0.70)^2 + 0.48 + 0.51 = 0.70$
Time	$(1.00 + 0.62)^2 / (1.00 + 0.62)^2 + 0.01 + 0.62 = 0.81$
Personal	$(0.72 + 0.70)^2 / (0.72 + 0.70)^2 + 0.48 + 0.51 = 0.70$
Logistics	$(0.73 + 0.70)^2 / (0.73 + 0.70)^2 + 0.46 + 0.51 = 0.70$



**Path Diagram – Robust Maximum Likelihood - Standardized Solution - Barriers to Entrepreneurship – Dutch sample**



Set error variance of Opport to 0.01  
 Set error variance of Time1 to 0.01  
 Set error variance of Confi3 to 0.01  
 Set error variance of Supp2 to 0.01  
 Set error variance of Fin1 to 0.01

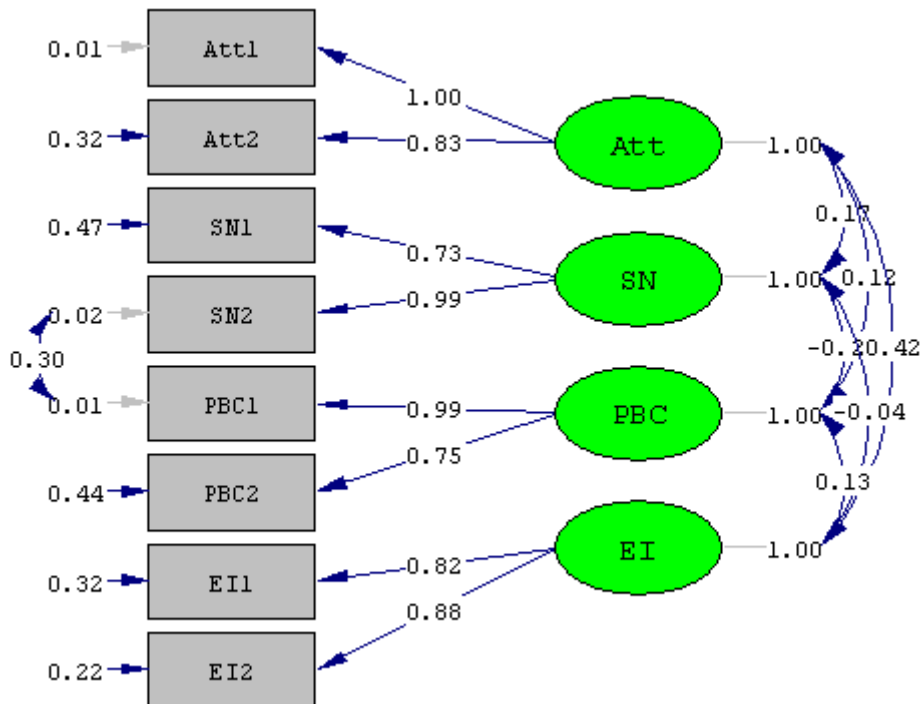
Set error variance of FoF to 0.01  
 Set error variance of Perso3 to 0.01  
 Set error variance of Skills1 to 0.01

Dropped Supp1, Supp3, Supp4, Confi1, Confi2, Skills2, Skills3, Fin2, Time2, Time3, Perso1, Perso2 due to low loading factors.

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	96	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.026	Good fit
Normed Fit Index (NFI)		0.99	Good fit
Non-Normed Fit Index (NNFI)		1.12	Good fit
Incremental Fit Index (IFI)		1.04	Good fit
Relative Fit Index (RFI)		0.97	Good fit

Reliability	
	Construct Reliability (CR); $\geq$ 0.7
Supp	$(1.00)^2 / (1.00)^2 + 0.01 = 1.01$
Confi	$(0.99)^2 / (0.99)^2 + 0.01 = 1.00$
Skills	$(0.99)^2 / (0.99)^2 + 0.01 = 1.00$
Opport	$(1.00)^2 / (1.00)^2 + 0.01 = 1.01$
FoF	$(1.00)^2 / (1.00)^2 + 0.01 = 1.01$
Fin	$(1.00 + 0.79)^2 / (1.00 + 0.79)^2 + 0.01 + 0.38 = 0.89$
Time	$(1.00 + 0.62)^2 / (1.00 + 0.62)^2 + 0.01 + 0.62 = 0.81$
Personal	$(0.72 + 0.70)^2 / (0.72 + 0.70)^2 + 0.48 + 0.51 = 0.70$
Logistics	$(0.73 + 0.70)^2 / (0.73 + 0.70)^2 + 0.46 + 0.51 = 0.70$

**Path Diagram – Weighted Least Square - Standarized Solution - EIQ – Indonesian and Dutch sample**

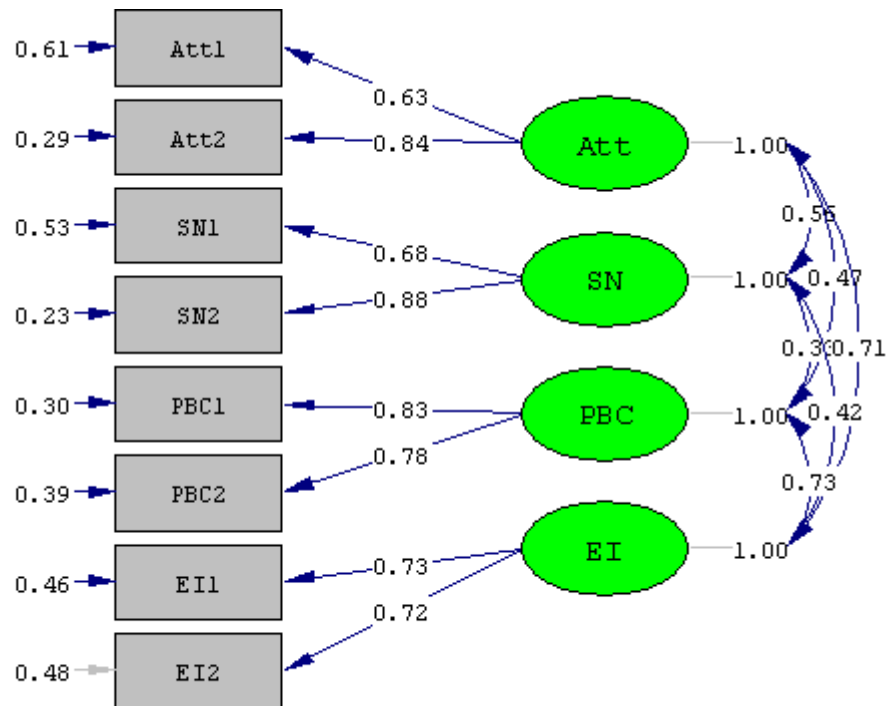


Set error variance of SN2 to 0.01  
 Set error variance of Att1 to 0.01  
 Set error variance of PBC1 to 0.01  
 Set error covariance of PBC1 and SN2 free

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	16	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.0	Good fit
Normed Fit Index (NFI)		1.00	Good fit
Non-Normed Fit Index (NNFI)		1.00	Good fit
Incremental Fit Index (IFI)		1.00	Good fit
Relative Fit Index (RFI)		1.00	Good fit

Reliability	
	Construct Reliability (CR); $\geq$ 0.7
Att	$(1.00 + 0.83)^2 / (1.00 + 0.83)^2 + 0.01 + 0.32 = 0.91$
SN	$(0.73 + 0.99)^2 / (0.73 + 0.99)^2 + 0.47 + 0.02 = 0.86$
PBC	$(0.99 + 0.75)^2 / (0.99 + 0.75)^2 + 0.01 + 0.44 = 0.87$
EI	$(0.82 + 0.88)^2 / (0.82 + 0.88)^2 + 0.32 + 0.22 = 0.84$

**Path Diagram – Weighted Least Square - Standarized Solution - EIQ – Indonesian sample**



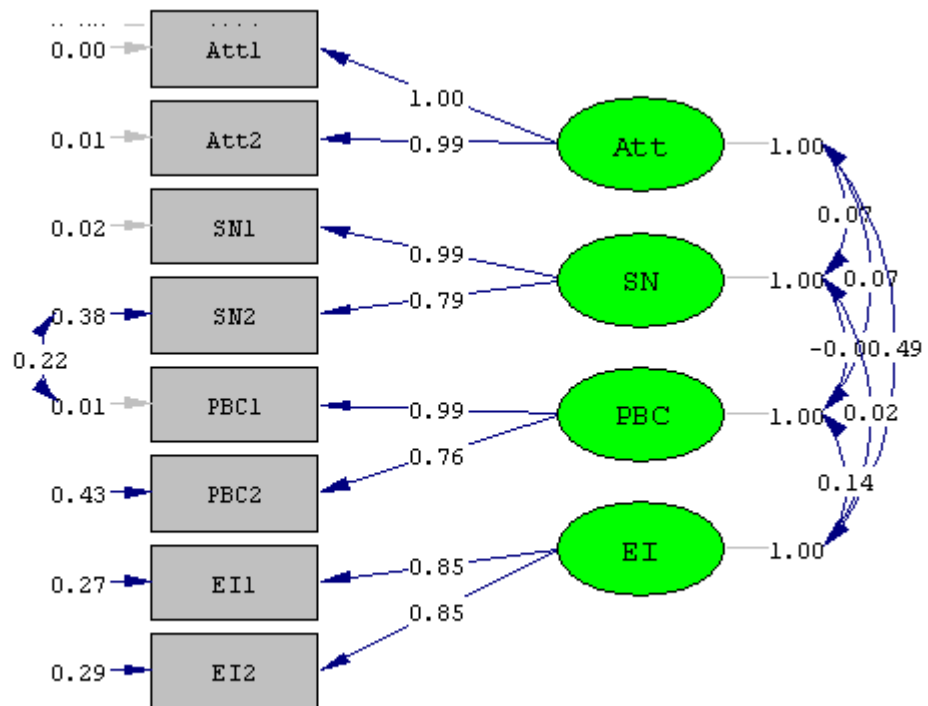
Chi-Square=2.30, df=15, P-value=0.99993, RMSEA=0.000

Set error variance of EI2 to 0.30

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	15	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.0	Good fit
Normed Fit Index (NFI)		0.98	Good fit
Non-Normed Fit Index (NNFI)		1.22	Good fit
Incremental Fit Index (IFI)		1.11	Good fit
Relative Fit Index (RFI)		0.97	Good fit

Reliability	
	Construct Reliability (CR); $\geq$ 0.7
Att	$(0.63 + 0.84)^2 / (0.63 + 0.84)^2 + 0.62 + 0.29 = 0.70$
SN	$(0.68 + 0.88)^2 / (0.68 + 0.88)^2 + 0.53 + 0.23 = 0.76$
PBC	$(0.83 + 0.78)^2 / (0.83 + 0.78)^2 + 0.30 + 0.39 = 0.79$
EI	$(0.73 + 0.72)^2 / (0.73 + 0.72)^2 + 0.46 + 0.48 = 0.70$

**Path Diagram – Weighted Least Square - Standarized Solution - EIQ – Dutch sample**



Chi-Square=21.80, df=17, P-value=0.19238, RMSEA=0.038

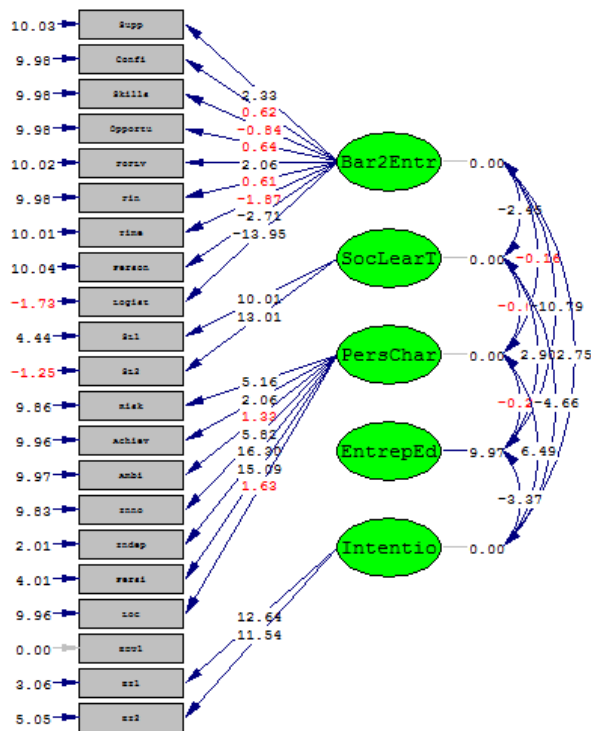
- Set error variance of SN1 to 0.01
- Set error variance of Att1 to 0.01
- Set error variance of Att2 to 0.01
- Set error variance of PBC1 to 0.01
- Set error covariance of PBC1 and SN2 free

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	16	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.038	Good fit
Normed Fit Index (NFI)		1.00	Good fit
Non-Normed Fit Index (NNFI)		1.00	Good fit
Incremental Fit Index (IFI)		1.00	Good fit
Relative Fit Index (RFI)		0.99	Good fit

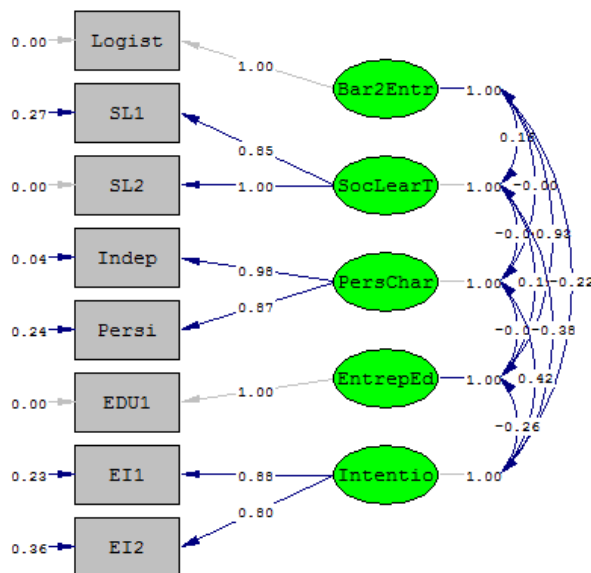
Reliability	
	Construct Reliability (CR); $\geq$ 0.7
Att	$(1.00 + 0.99)^2 / (1.00 + 0.99)^2 + 0.00 + 0.01 = 0.99$
SN	$(0.99 + 0.79)^2 / (0.99 + 0.79)^2 + 0.02 + 0.38 = 0.89$
PBC	$(0.99 + 0.76)^2 / (0.99 + 0.76)^2 + 0.01 + 0.43 = 0.87$
EI	$(0.85 + 0.85)^2 / (0.85 + 0.85)^2 + 0.27 + 0.29 = 0.84$

## APPENDIX B3 STRUCTURAL EQUATION MODELS

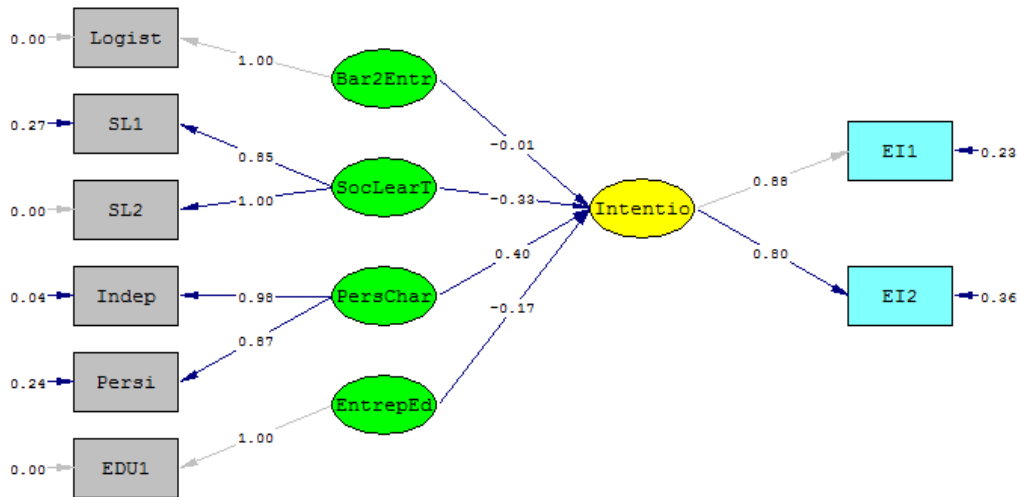
**Dutch model – Robust Maximum Likelihood – T-values - Measurement Model CFA\_1**



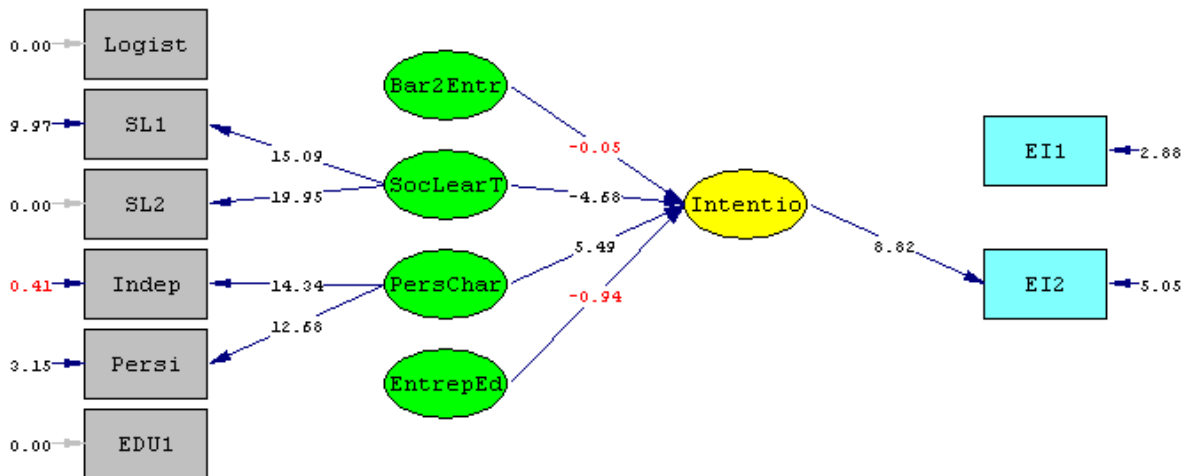
**Dutch model – Robust Maximum Likelihood – Standardized Solution - Measurement Model CFA\_2**



**Dutch model – Robust Maximum Likelihood – SEM - Standardized Solution**



**Dutch model – Robust Maximum Likelihood – SEM - T-values**

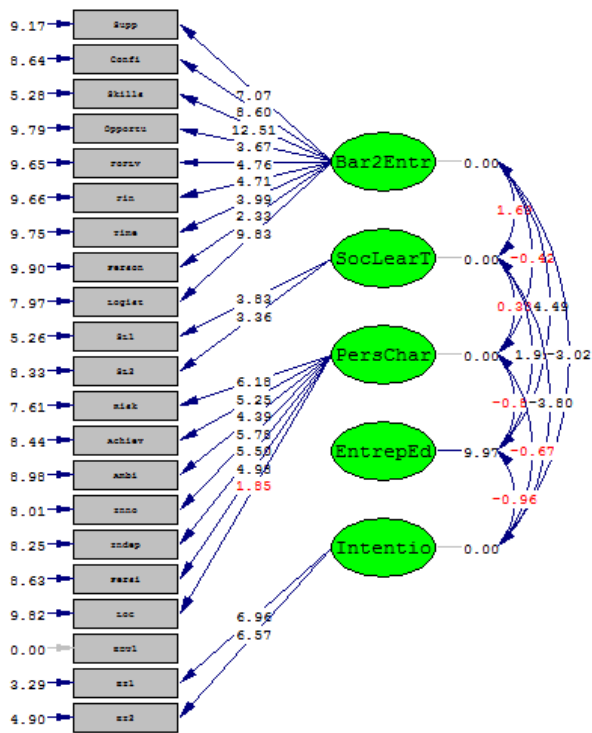


Set Error Variance of EDU1 to 0  
 Set Error Variance of Logist to 0.001  
 Set Error Variance of SL2 to 0

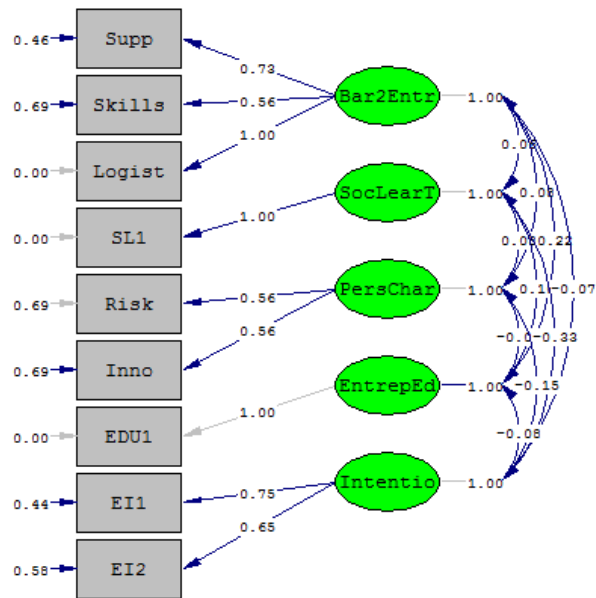
Admissibility Check Off  
 Iterations 500

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	13	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.000	Good fit
Normed Fit Index (NFI)		1.00	Good fit
Non-Normed Fit Index (NNFI)		1.04	Good fit
Incremental Fit Index (IFI)		1.02	Good fit
Relative Fit Index (RFI)		1.00	Good fit

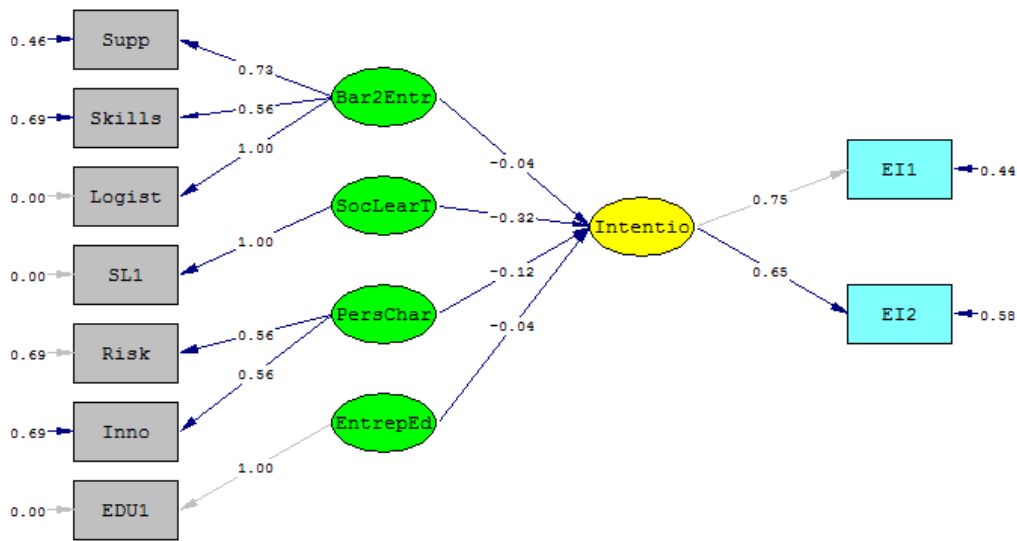
**Indonesian model - Robust Maximum Likelihood – T-values – CFA\_1**



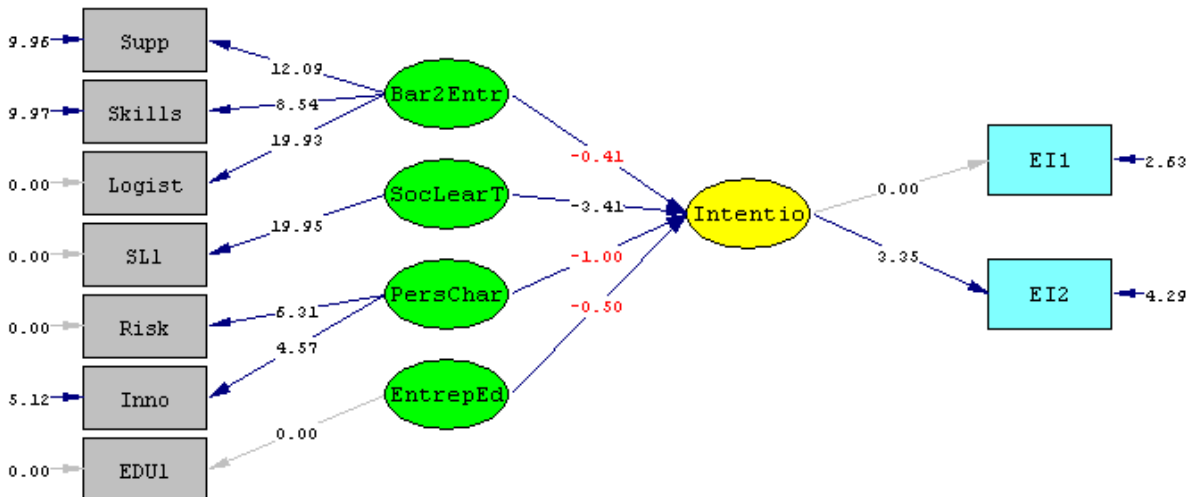
**Indonesian model - Robust Maximum Likelihood – Standardized Solution - CFA\_2**



**Indonesian model - Robust Maximum Likelihood – Standardized Solution**



**Indonesian model - Robust Maximum Likelihood – T-values**



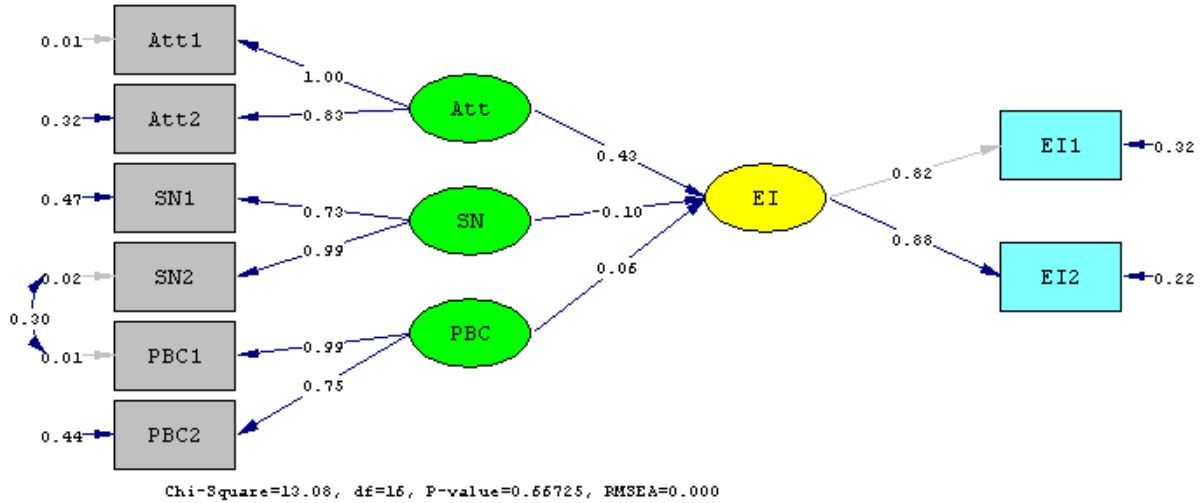
Goodness of Fit Statistics	Target	Outcome	
		Value	Fit Status
Degrees of Freedom	-	21	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.000	Good fit
Normed Fit Index (NFI)		1.00	Good fit
Non-Normed Fit Index (NNFI)		1.12	Good fit
Incremental Fit Index (IFI)		1.07	Good fit
Relative Fit Index (RFI)		1.00	Good fit



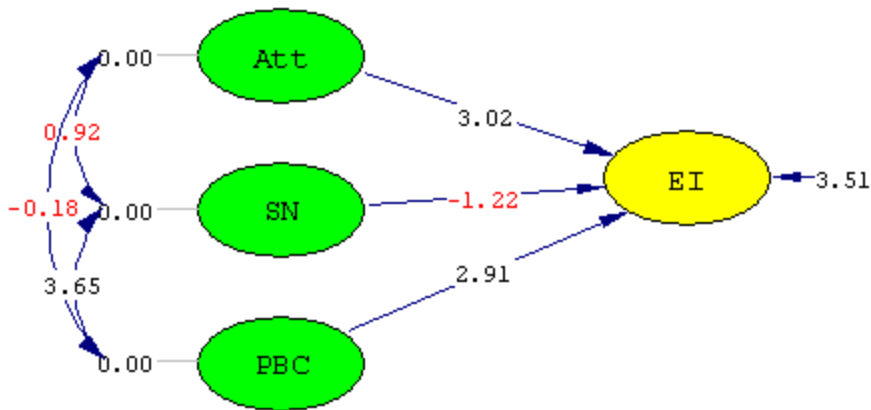
## APPENDIX B4 HYPOTHESES TESTING

### Hypotheses 1A, 1B, 1C.

#### Both samples – Weighted Least Square – Standardized Solution



#### Both samples – Weighted Least Square – T-values

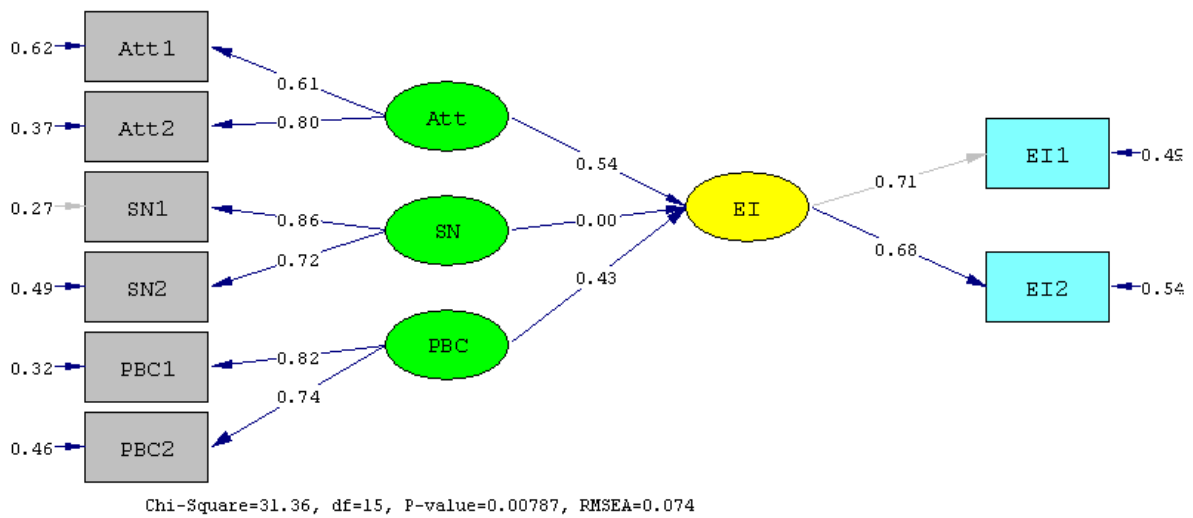


Set error variance of SN2 to 0.01  
Set error variance of PBC1 to 0.01

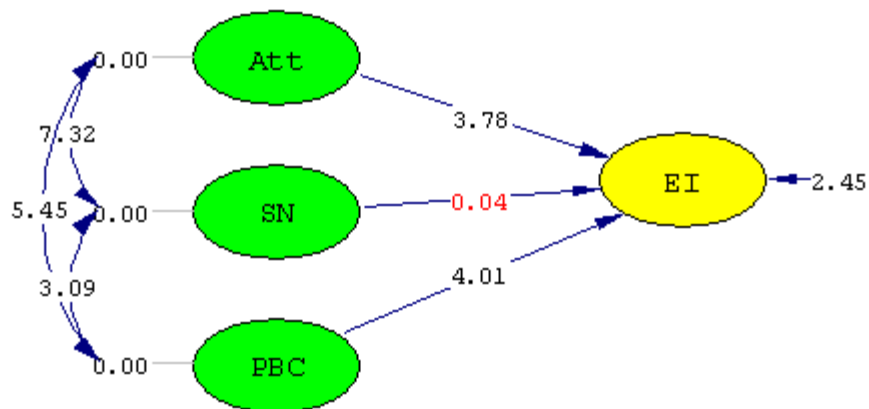
Set error variance of Att1 to 0.01  
Set error covariance of PBC1 and SN2 free

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	18	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.076	Good fit
Normed Fit Index (NFI)		0.99	Good fit
Non-Normed Fit Index (NNFI)		0.99	Good fit
Incremental Fit Index (IFI)		1.00	Good fit
Relative Fit Index (RFI)		0.99	Good fit

**Indonesian sample – Maximum Likelihood – Standardized Solution**



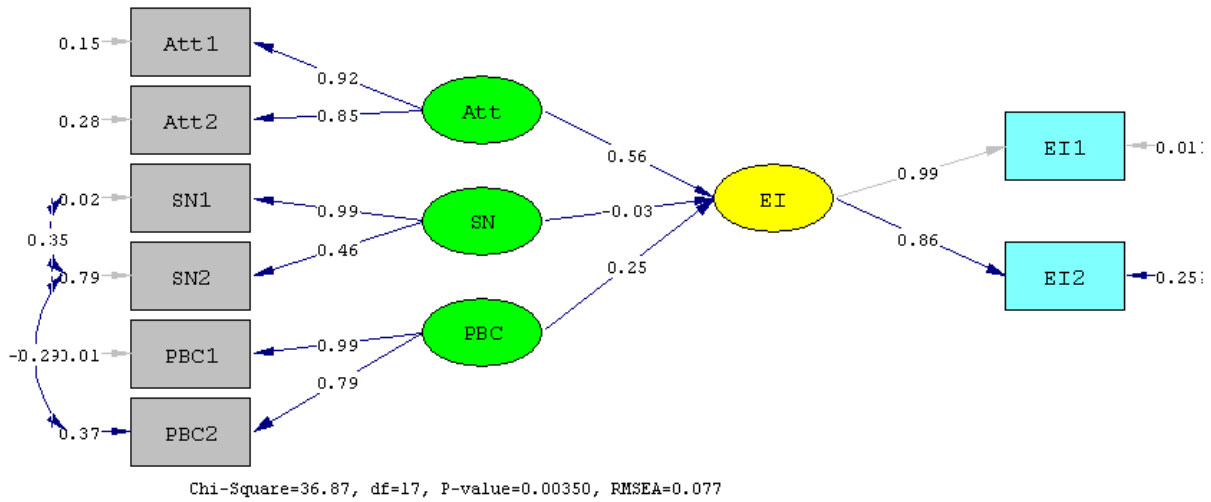
**Indonesian sample – Maximum Likelihood – T-values**



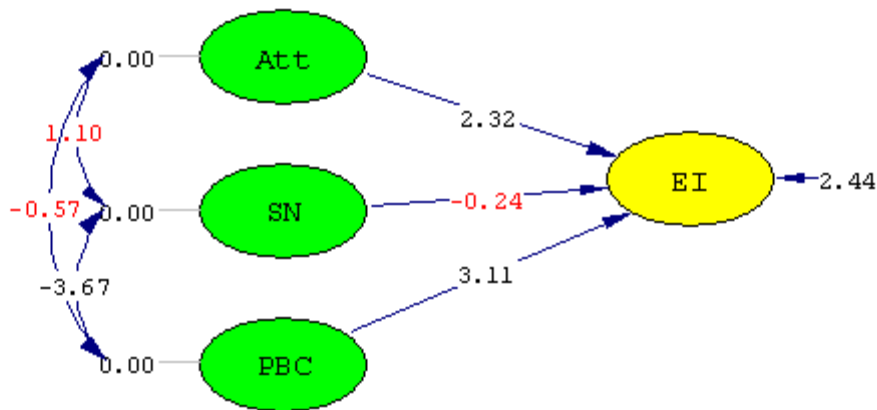
Set error variance of SN1 to 0.2

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	15	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.074	Good fit
Normed Fit Index (NFI)		0.96	Good fit
Non-Normed Fit Index (NNFI)		0.96	Good fit
Incremental Fit Index (IFI)		0.98	Good fit
Relative Fit Index (RFI)		0.92	Good fit

**Dutch sample – Method Weighted Least Square – Standardized Solution**



**Dutch sample – Method Weighted Least Square – T-values**



Set error variance of SN1 to 0.01  
 Set error variance of PBC1 to 0.01  
 Set error variance of Att2 to 0.20  
 Set error covariance of PBC2 and SN2 free  
 Set error covariance of PBC2 and EI1 free

Set error variance EI1 to 0.01  
 Set error variance of Att1 to 0.20  
 Set error variance of SN2 to 0.4  
 Set error covariance of SN2 and SN1 free

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	17	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.077	Good fit
Normed Fit Index (NFI)		0.99	Good fit
Non-Normed Fit Index (NNFI)		0.99	Good fit
Incremental Fit Index (IFI)		1.00	Good fit
Relative Fit Index (RFI)		0.99	Good fit

## Hypothesis 2

### Two-sample t test

Group	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Indonesia	200	4.0475	.0508221	.7187327	3.947281	4.147719
The Netherlands	200	2.74	.0655437	.9269282	2.610751	2.869249
combined	400	3.39375	.0527878	1.055757	3.289973	3.497527
diff		1.3075	<b>.0829389</b>		1.144447	1.470553

diff = mean(Indonesi) - mean(The Neth)                      t = 15.7646

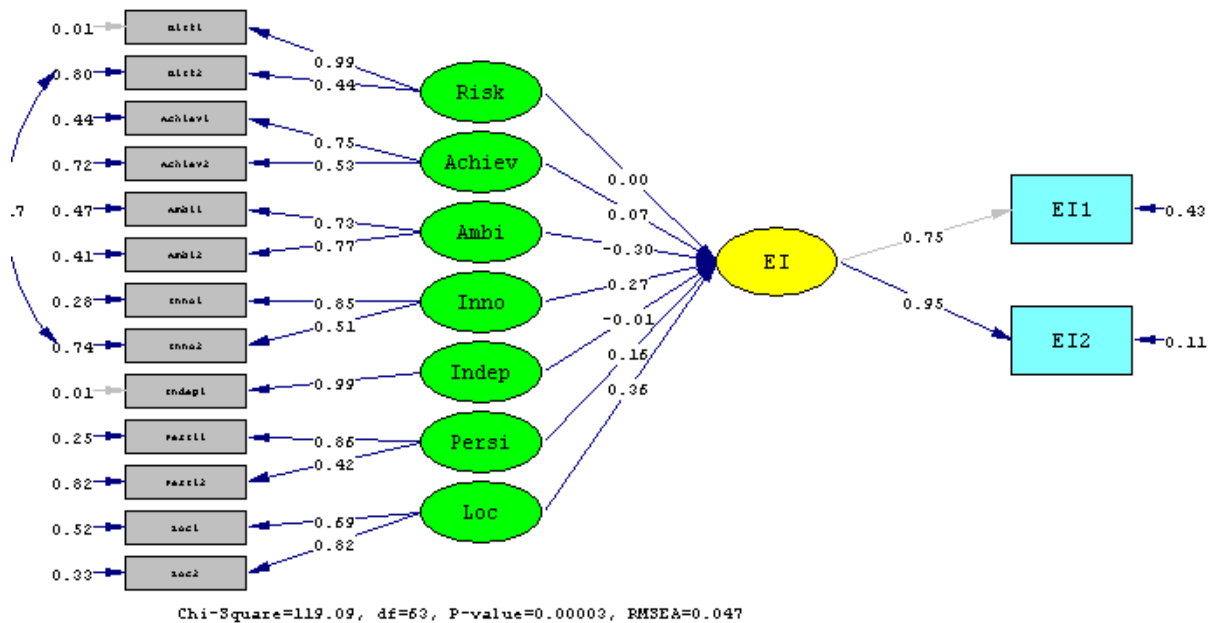
Ho: diff = 0                                                              degrees of freedom = 398

**Ha: diff != 0**

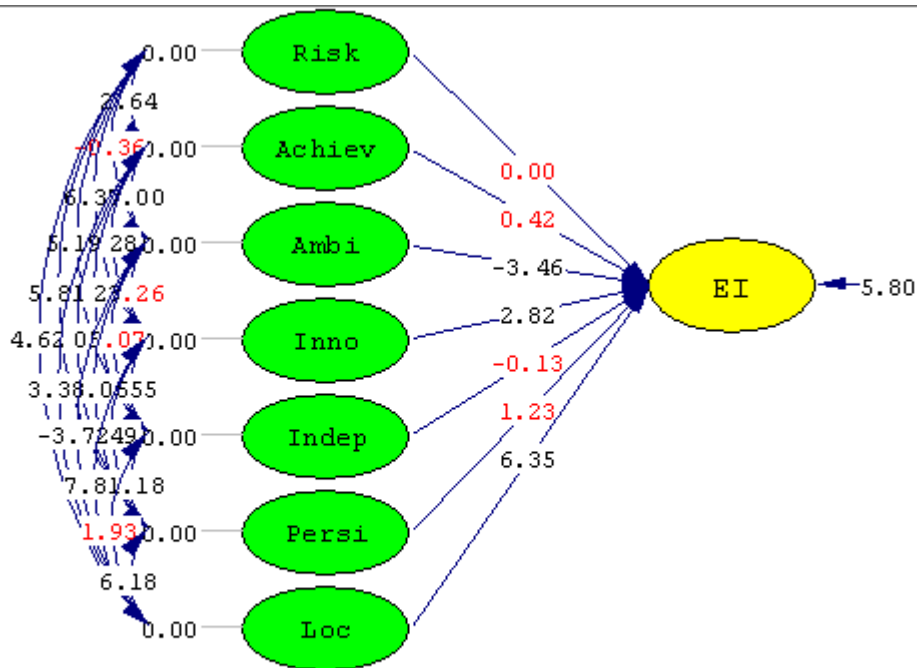
**Pr(|T| > |t|) = 0.0000**

## Hypothesis 3

### Both samples – Method Weighted Least Square – Standardized Solution



**Both samples – Method Weighted Least Square – T-values**

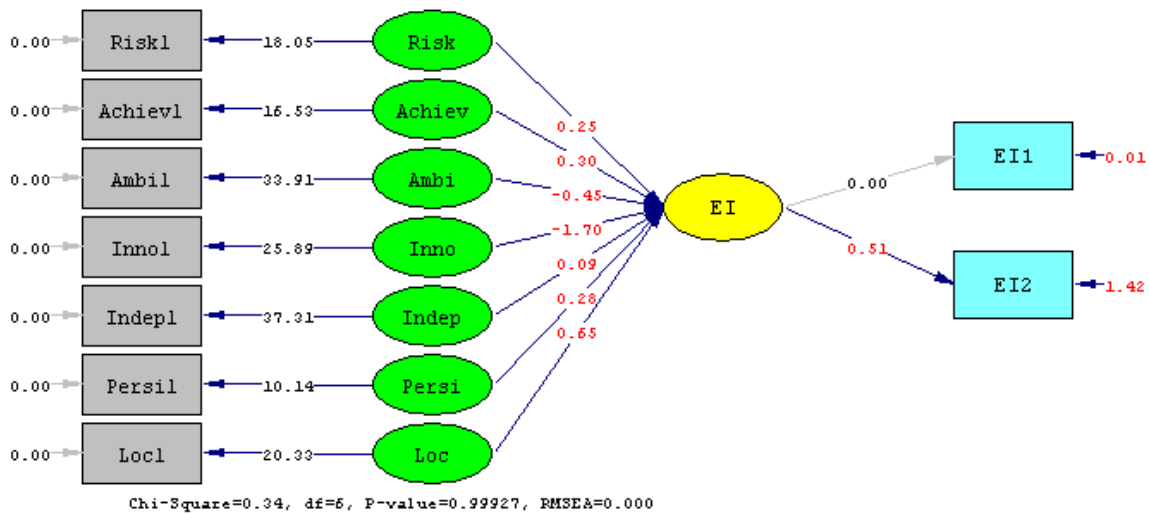


Chi-Square=119.09, df=63, P-value=0.00003, RMSEA=0.047

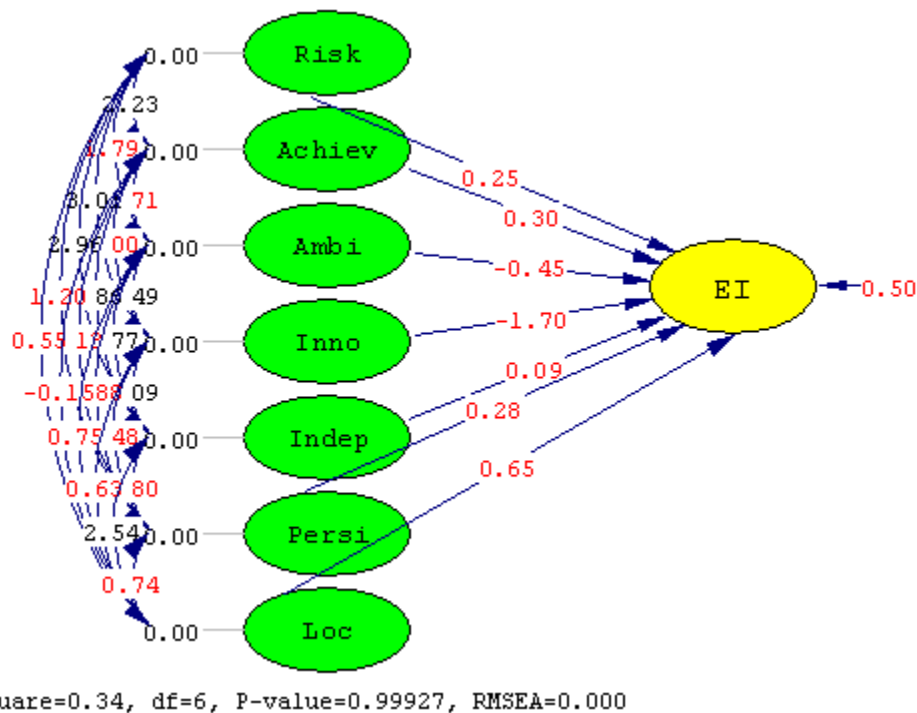
Set error variance of Indep1 to 0.01  
 Set error variance of Risk1 to 0.01  
 Let error covariance of Inno2 and Risks2 free

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	63	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.047	Good fit
Normed Fit Index (NFI)		0.95	Good fit
Non-Normed Fit Index (NNFI)		0.96	Good fit
Incremental Fit Index (IFI)		0.98	Good fit
Relative Fit Index (RFI)		0.92	Good fit

**Indonesian sample – Method Weighted Least Square – Standardized Solution**



**Indonesian sample – Method Weighted Least Square – T-values**

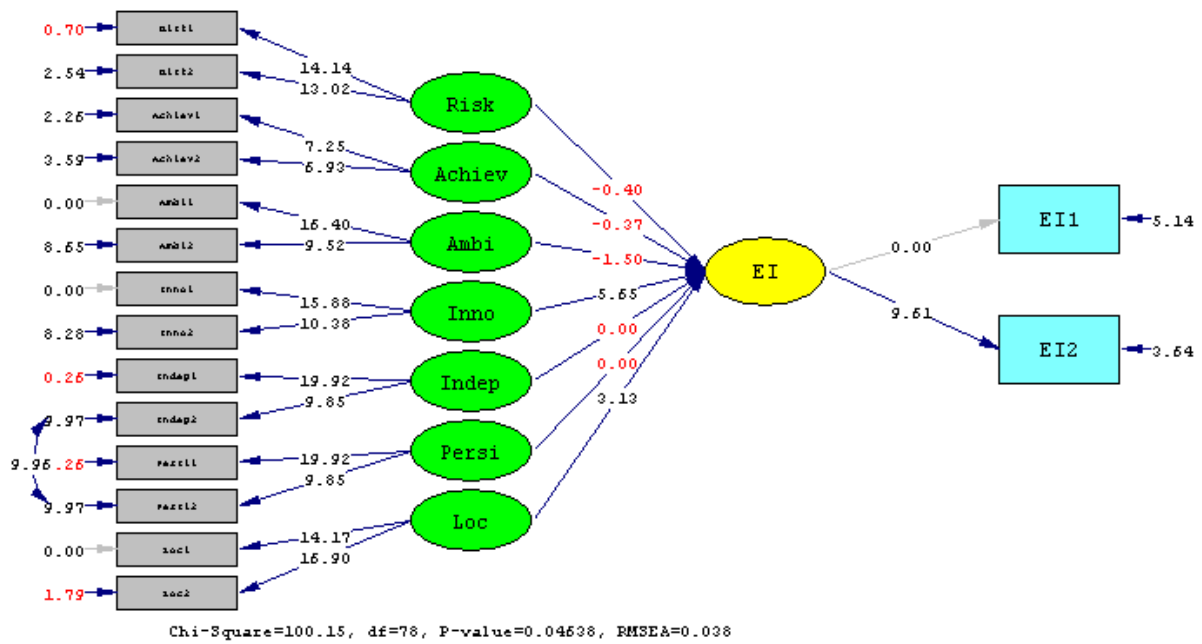


Set error variance of Risk1 to 0.01  
 Set error variance of Persil to 0.01  
 Set error variance of Inno1 to 0.01  
 Set error variance of Loc1 to 0.01

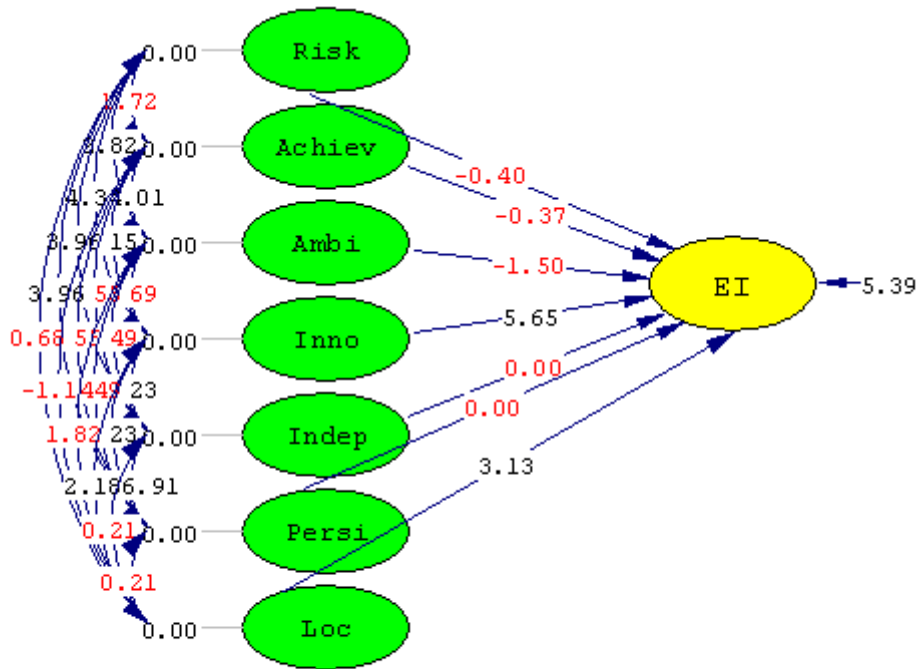
Set error variance of Achiev1 to 0.01  
 Set error variance of Ambil to 0.01  
 Set error variance of Indep1 to 0.01

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	6	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.000	Good fit
Normed Fit Index (NFI)		1.00	Good fit
Non-Normed Fit Index (NNFI)		1.62	Good fit
Incremental Fit Index (IFI)		1.07	Good fit
Relative Fit Index (RFI)		0.98	Good fit

**Dutch sample – Maximum Likelihood – Standardized Solution**



**Dutch sample – Maximum Likelihood – T-values**



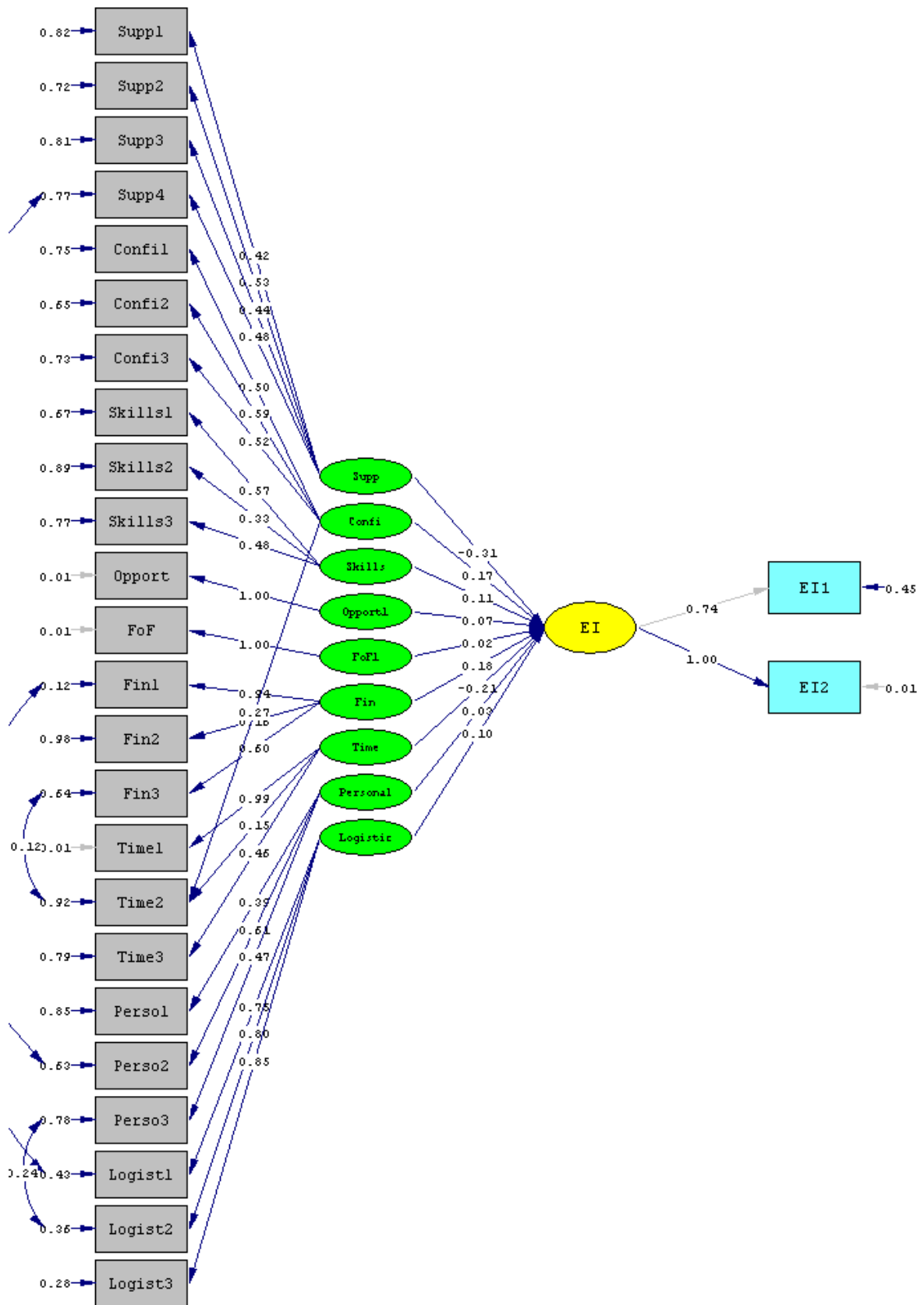
- Set error variance of Ambi1 to 0.3
- Set error variance of Loc1 to 0.3
- Set error variance of Inno1 to 0.3
- Admissibility check off
- Iterations 500
- Set error covariance of Persi2 and Indep2 free

<b>Goodness of Fit Statistics</b>	<b>Target</b>	<b>Outcome</b>	
Degrees of Freedom	-	78	
Root Mean Square Error of Approximation (RMSEA)	$RMSEA \geq 0.08$	0.038	Good fit
Normed Fit Index (NFI)		0.99	Good fit
Non-Normed Fit Index (NNFI)		0.99	Good fit
Incremental Fit Index (IFI)		1.00	Good fit
Relative Fit Index (RFI)		0.99	Good fit



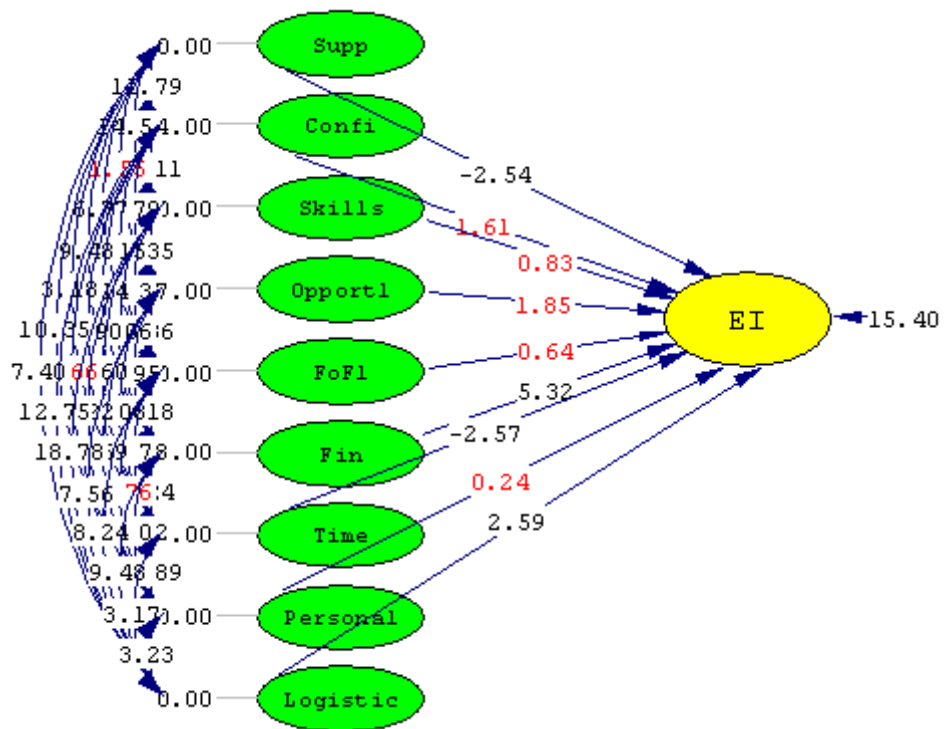
### Hypothesis 4

Both samples – Method Weighted Least Square – Standardized Solution



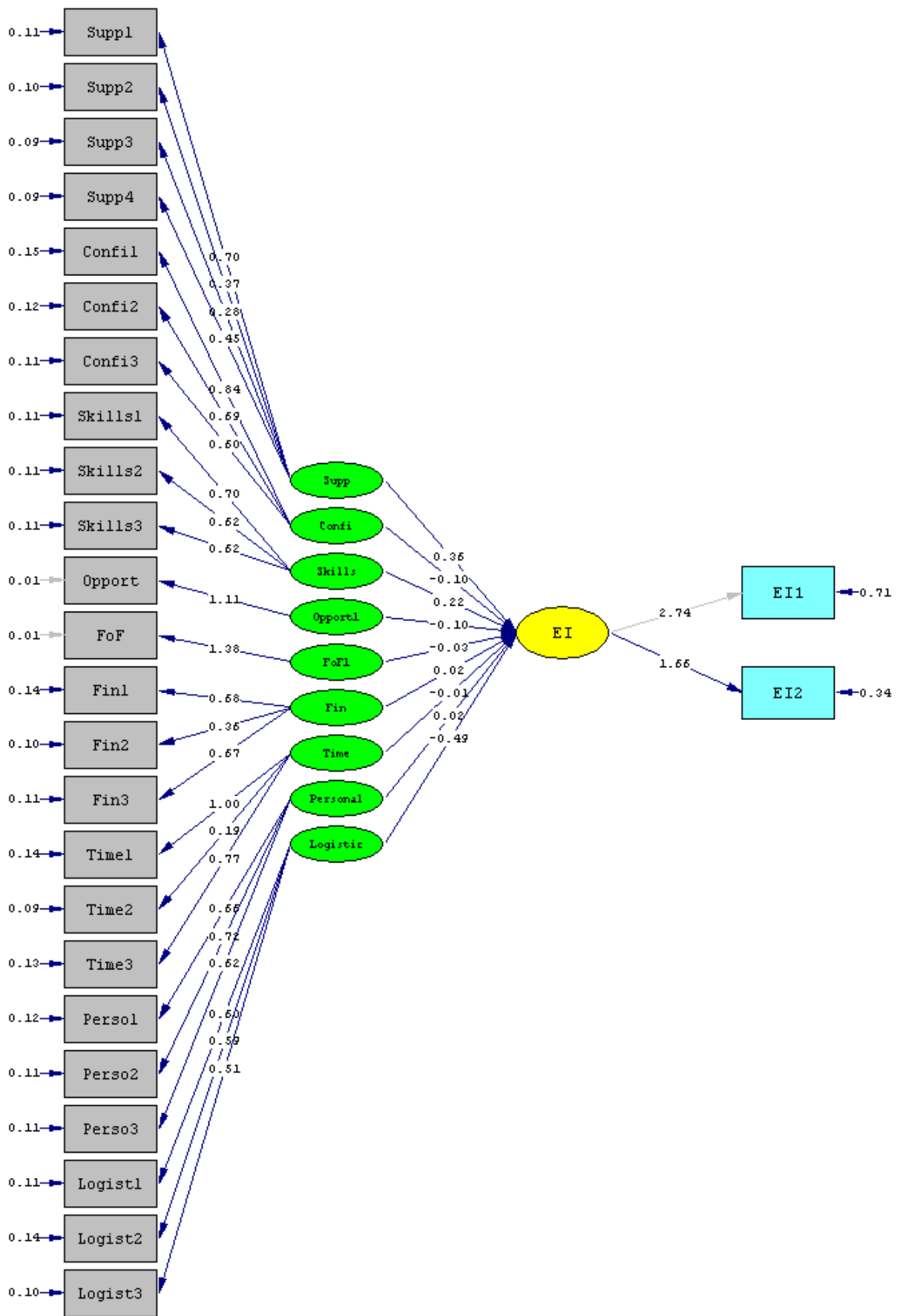
Chi-Square=891.71, df=252, P-value=0.00000, RMSEA=0.080

**Both samples – Method Weighted Least Square – T-values**



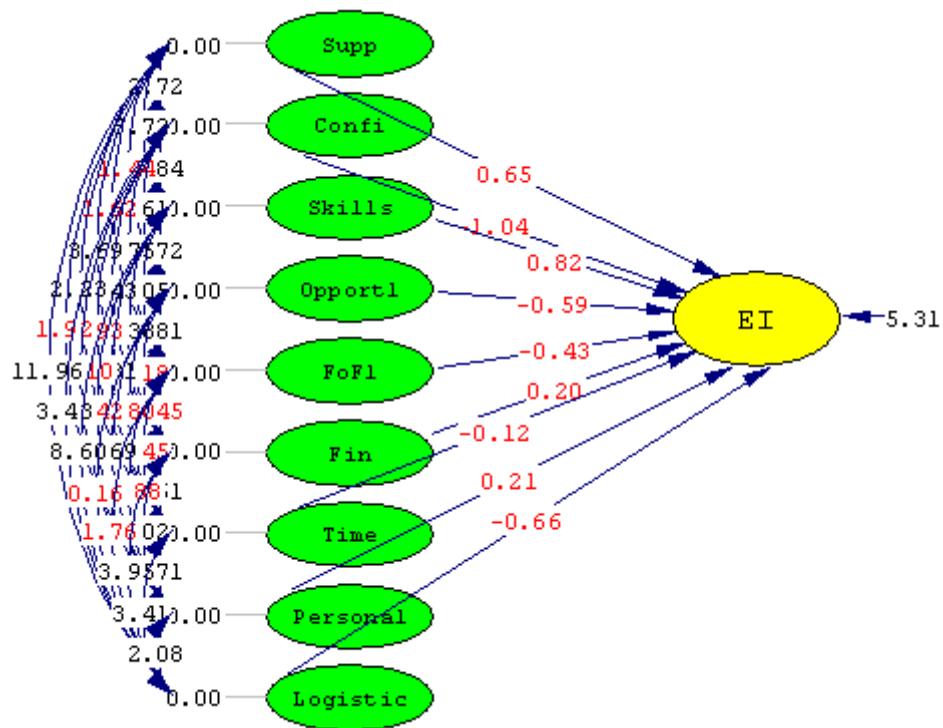
Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	252	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.080	Good fit
Normed Fit Index (NFI)		0.96	Good fit
Non-Normed Fit Index (NNFI)		0.96	Good fit
Incremental Fit Index (IFI)		0.97	Good fit
Relative Fit Index (RFI)		0.95	Good fit

Indonesian sample – Method Weighted Least Square – Standardized Solution



Chi-Square=364.69, df=256, P-value=0.00001, RMSEA=0.046

**Indonesian sample – Method Weighted Least Square – T-values**

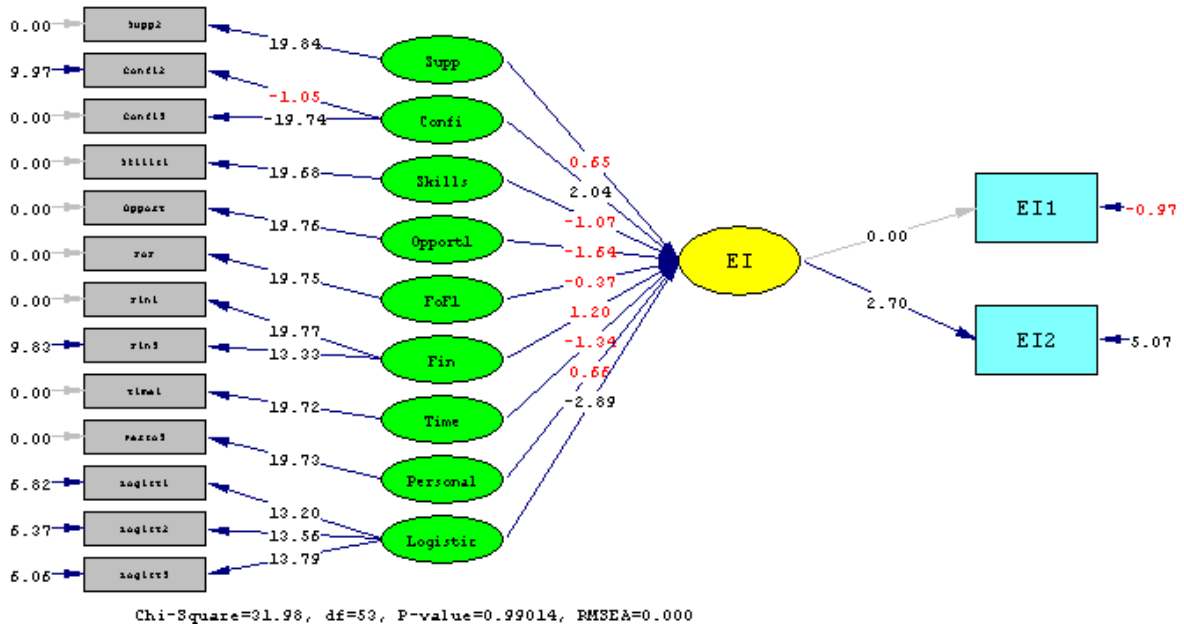


Set error variance of Opport to 0.3

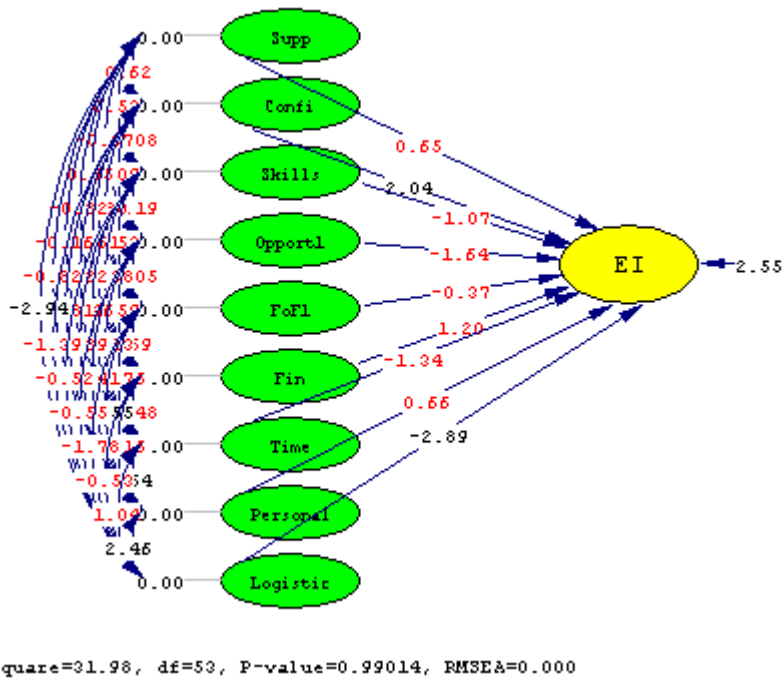
Set error variance of FoF to 0.3

Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	256	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.046	Good fit

**Dutch sample – Maximum Likelihood – Standardized Solution**



**Dutch sample – Maximum Likelihood – T-values**



Goodness of Fit Statistics	Target	Outcome	
Degrees of Freedom	-	53	
Root Mean Square Error of Approximation (RMSEA)	RMSEA $\geq$ 0.08	0.000	Good fit
Normed Fit Index (NFI)		0.95	Good fit
Non-Normed Fit Index (NNFI)		1.07	Good fit
Incremental Fit Index (IFI)		1.03	Good fit
Relative Fit Index (RFI)		0.90	Good fit

## Hypothesis 5

### Two-Sample t-Test

The Netherlands						
Group	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Yes, education	<b>114</b>	2.912281	.0773748	.8261372	2.758987	3.065574
No, no education	<b>86</b>	2.511628	.1084579	1.005797	2.295985	2.727271
combined	200	2.74	.0655437	.9269282	2.610751	2.869249
diff		<b>.4006528</b>	.1332291		.137563	.6637426

diff = mean(Yes, edu) - mean(No, no e) t = 3.0072  
 Ho: diff = 0 Satterthwaite's degrees of freedom = 161.979  
**Ha: diff != 0** **Pr(|T| > |t|) = 0.0031**

Indonesia						
Group	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Yes, education	<b>123</b>	4.089431	.0660757	.7328155	3.958627	4.220234
No, no education	<b>77</b>	3.980519	.0792143	.695103	3.82275	4.138289
combined	200	4.0475	.0508221	.7187327	3.947281	4.147719
diff		<b>.1089114</b>	.1031548		-.0947361	.3125589

diff = mean(Yes, edu) - mean(No, no e) t = 1.0558  
 Ho: diff = 0 Satterthwaite's degrees of freedom = 167.913  
**Ha: diff != 0** **Pr(|T| > |t|) = 0.2926**

## Hypothesis 6

### Two-Sample t-Test

The Netherlands						
Group	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Yes, my father or mother is self-employed	93	3.05914	.0984479	.9493976	2.863614	3.254666
No, my father or mother is not self-employed	107	2.45283	.0788872	.8121937	2.296411	2.609249
combined	200	2.736181	.065762	.9276872	2.606497	2.865865
diff		<b>.6063096</b>	.1261554		.3573965	.8552226

diff = mean(Yes, my) - mean(No, my f) t = 4.8061  
 Ho: diff = 0 Satterthwaite's degrees of freedom = 182.242  
**Ha: diff != 0** **Pr(|T| > |t|) = 0.0000**

Indonesia						
Group	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Yes, my father or mother is self-employed	82	4.164634	.0761615	.6896719	4.013097	4.316172
No, my father or mother is not self-employed	118	3.962185	.0667579	.7282428	3.829986	4.094384
combined	200	4.044776	.0506419	.7179729	3.944916	4.144637
diff		<b>.2024493</b>	.1012778		.0026066	.4022919

diff = mean(Yes, my) - mean(No, my f) t = 1.9989  
 Ho: diff = 0 Satterthwaite's degrees of freedom = 180.244  
**Ha: diff != 0** **Pr(|T| > |t|) = 0.0471**

### Hypothesis 7

#### Two-Sample t-Test

Group	The Netherlands					
	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Yes, rolemodel	101	3.014851	.0945169	.9498827	2.827333	3.20237
No, no role model	99	2.459596	.0820642	.8165281	2.296742	2.62245
combined	200	2.74	.0655437	.9269282	2.610751	2.869249
diff		<b>.5552555</b>	.1253608		.3080419	.8024691

diff = mean(Yes, rol) - mean(No, no r)                      t = 4.4293

Ho: diff = 0                                                              degrees of freedom = 198

**Ha: diff !=**

**Pr(|T| > |t|) = 0.0000**

Group	The Netherlands					
	Obs	Mean	Std. Err.	Std. Dev.	95% Conf. Interval	
Yes, rolemodel	119	4.205882	.0548242	.598061	4.097316	4.314449
No, no role model	81	3.814815	.0906273	.8156456	3.634461	3.995169
combined	200	4.0475	.0508221	.7187327	3.947281	4.147719
diff		<b>.3910675</b>	.1000011		.1938637	.5882714

diff = mean(Yes, rol) - mean(No, no r)                      t = 3.9106

Ho: diff = 0                                                              degrees of freedom = 198

**Ha: diff != 0**

**Pr(|T| > |t|) = 0.0001**

## APPENDIX C1 QUESTIONNAIRE



# FAKULTAS EKONOMI DAN BISNIS

Dear student,

I would like to introduce myself: my name is Paul Weiss and I am an exchange Msc student Strategic Management from Tilburg University, Tilburg, The Netherlands. I am conducting a research on the entrepreneurial intentions among Dutch and Indonesian university students, under supervision of Dr. Sari Wahyuni.

The survey should only take 5-10 minutes. Completing the survey is anonymous and voluntary. The answers you give will be kept private and nobody will know how you respond to the questions. All responses will be compiled together and analyzed as a group. This is not a test and there are no right or wrong answers. Please answer the questions based on what you really think and have experienced.

I really appreciate your input! If you have any questions or concerns, please contact Paul Weiss at [p.t.a.weiss@tilburguniversity.edu](mailto:p.t.a.weiss@tilburguniversity.edu).

Terima kasih banyak,

Paul Weiss  
[p.t.a.weiss@tilburguniversity.edu](mailto:p.t.a.weiss@tilburguniversity.edu)

### I. Questions

#### Personality Characteristics

For each statement, please indicate to what extent you agree or disagree by circling a number between 1 (strongly disagree) and 5 (strongly agree). Remember there are no right or wrong answers.

	Strongly Strongly agree	2	3	4	disagree
1. I'm willing to take substantial risks for substantial returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I prefer routine work with definite guidelines to follow, so there is less chance of making errors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. When I do something, I see to it that it doesn't only get done but done excellently.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I find difficulty in asserting myself against the opinion of the majority.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



5. I'm able to beat around difficulties by using my creativity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I don't give up easily, even in the face of difficulties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. I will hire people on the basis of friendship and other relations (for their loyalty) rather than on the basis of competence.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. I avoid changing the way things are done.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. It is I (not luck nor fate), which influence the outcome of events in my life.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. When things go right or wrong for me, I believe that this depends on luck.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. I'm unable to work consistently on a goal when I meet with some obstacles.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. I enjoy working in unstructured situations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. I accomplish most when I'm alone, under no direct supervision of anyone.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. I don't like doing things/projects which I do not know much about.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Barriers to Entrepreneurship

Although an individual has a good idea for a business it is sometimes difficult to start, even when they want to. Try to think of the time when you first wanted to start your business, but never did. If you have never wanted to start a business, figure out for yourself out what possibly could act as a hindering factor. For each statement, please indicate to what extent this could affect your decision, by circling a number between 1 (being the least affecting your decision) and 5 (being the most affecting your decision).

	Strongly Strongly agree	2	3	4	disagree
15. Because it lacked formal help to start my business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Because I felt I couldn't compete with existing businesses to my idea.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Because I lacked experience or exposure to someone who has run a business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Because I lacked management and entrepreneurial skills to run a start-up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Because it lacked support of organizations to assist (potential) entrepreneurs like me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Because I didn't see good opportunities to start a firm in the area where I live.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Because of the cautious attitude of banks towards start-up companies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Because fear of failure would prevent me from starting a business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Because I didn't know the necessary practical details to start a firm.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24. Because of family problems.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Because I needed to research my idea more thoroughly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Because I had other events or activities going on in my life, I didn't have the time to start my business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. Because there were too many competitors in my field.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Because I was not confident of my business idea.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Because I didn't have the time to start my business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Because I couldn't afford the total long-term capital of the business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Because of personal problems.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. Because I cannot afford the start-up costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Because I lacked the technical and business knowledge to compete in my market.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. Because I had to deal with unsolved personal issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Because it lacked legal assistance or counseling.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Because I didn't know the legalities of starting my business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. Because I didn't know how to do a business plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38. Because it lacked assistance in assessing the viability of my business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Entrepreneurship Education

Entrepreneurship education teaches fundamental or necessary basic abilities and skills. In short, it covers all aspects of the route from idea to market and more generally from brain to improvement and progress.

39. Have you ever been involved in entrepreneurship education or training specialized in entrepreneurship?

- Yes. Please go to question 40
- No. Please go to question 41

40. What was the duration of the entrepreneurship education or training specialized in entrepreneurship?

- A workshop
- A training program
- A university course
- Other:.....

41. Would you like to be (more) involved in entrepreneurship education or training specialized in entrepreneurship?

- Yes, I would like to.
- No, I would not like to.
- No opinion.

Explanation (why or why not?):

.....

### Entrepreneurial Intention

For each statement, please indicate to what extent you agree or disagree by circling a number between 1 (strongly disagree) and 5 (strongly agree).

	Strongly Strongly agree	2	3	4	Strongly disagree
42. Being an entrepreneur, I am challenged to be more successful.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. Being an entrepreneur, I have opportunities to realize my dreams.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. My family would support me to be an entrepreneur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45. My friends would support me to be an entrepreneur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46. I love to create something different.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47. I have many innovative ideas.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48. I love to prepare everything to be an entrepreneur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49. I am determined to have my own business in the future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## II. General Information

50. What is your age?

.....

51. What is your gender?

- Man
- Woman

52. What university program are you currently following?

.....

53. In what phase of your university program are you in?

- Bachelor
- Master

54. Is your father or mother self-employed?

- Yes, my father is self-employed.
- Yes, my mother is self-employed.
- No, my father and mother are not self-employed.

55. Did another entrepreneur or ex-entrepreneur (f.e. relatives, friends or an icon) influence your entrepreneurial intentions?

- Yes. Who did? .....
- No, no influence.

56. What is the educational background of your parents?

	SMA	S1	S2	S3
Father	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mother	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

57. What is your motive of being an entrepreneur? Maximum chose 2.

Make a living and support their family	<input type="checkbox"/>
A desire for independence	<input type="checkbox"/>
Achievement/to meet a challenge	<input type="checkbox"/>
Helping people by creating jobs	<input type="checkbox"/>
Expressing themselves through their business	<input type="checkbox"/>
Getting rich/achieving wealth	<input type="checkbox"/>
Continue family business	<input type="checkbox"/>
Supporting the ethnic community	<input type="checkbox"/>
Limited career opportunities	<input type="checkbox"/>
Escape discrimination	<input type="checkbox"/>
Other;	.....

**Terima kasih banyak!**