

Entrepreneurship Education and Family Business on Student's Intention to Continue Family Business: Students of Economic and Business Faculty, Widyatama University

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Abstract- One of strategic program to develop entrepreneurship in Indonesia is to educate students at universities. This program is also run by faculty of economic and business, Widyatama University by educating entrepreneurship for two semesters. There is an interested thing for students where 44 students of 103 students are from family business. Unfortunately, most of them are reluctant to continue their parents' business. It is supposed related to entrepreneurship education and family business. Research objectives are to know and analysis entrepreneurship education, family business, student's intention to continue family business, the influence of entrepreneurship education and family business toward student's intention to continue family business. Descriptive and verificative method is used to answer research questions. Data is collected from 44 students. Census is used to collect data. The results of the study indicate that entrepreneurship education influences student's intention to continue family business but smaller than influence of family business to student's intention to continue family business. Meanwhile, entrepreneurship education and family business influence student's intention to continue family business. Limitation, it's only run for three classes with one lecturer. Practical implication, university can design entrepreneurship education with focus to students' intent to continue family business with prior to mapping students' family business. Originality, this research provides a meaningful contribution since a lot of entrepreneurship education can't create entrepreneur.

Keywords: family business, entrepreneurship education, intention to continue family business.

1. Introduction

Indonesian government concerns to create entrepreneurs to develop job creation as well as innovation to make competitive of the country. Policies and programs had been created to drive young people to be an entrepreneur. This condition cannot be separated to world condition. Government all over the world realized the contribution on entrepreneurship to national benefit. There is an increased national and international interest in the field of entrepreneurship due to its implication on individuals and national economic benefits (Hisrich, 2005).

Indonesian Ministry of Education cooperates with Ministry of Cooperative, Micro, Small and Medium Enterprise to create entrepreneur from higher education institution by educating students through lessons about entrepreneurship. Besides, programs are offered to students such as business incubators, business competitions, grant and others to stimulate students to run business. Government believes that entrepreneurs can be created through higher educational institution.

Those programs are executed by universities to make students familiar with business and management with creativity and innovation as the basic to be an entrepreneur. After they graduate, they are driven to be entrepreneur and create business or develop business. Schools and universities nowadays are becoming more aware of the impact of entrepreneurship education.

Widyatama University is a private university in Bandung and has 24 departments with 10.173 students form diploma, undergraduate and graduated in 2019/2020. Entrepreneurship education is taught to students for two semesters. One of faculty in Widyatama University is Economic and Business Faculty with 5.747 students and focuses on business and management and entrepreneurship education is a mandatory subject. After graduating, students are expected to be an entrepreneur by creating business and intent to continue family business.

Basic objective to educate students about entrepreneurship is to create an entrepreneurial intention. Focus of quantified research about entrepreneurship education is entrepreneurial intention (Franke & Luthje, 2004; Fitzsimmons & Douglas, 2011; Dirk et al., 2013).

Students come from different family background, employee and family business. Unfortunately, many students were reluctant to be an entrepreneur especially to continue their parents business, meanwhile they had been taught to be an entrepreneur. An individual who belong to an entrepreneur-family has a greater chance to choose an entrepreneurial career than one hailing from non-entrepreneurial background (Akinbode, 2018). This condition becomes phenomenon in Economic and Business Faculty. When students have parents who run business, they have asset to be a successful entrepreneur by developing family business.

It becomes a problem in Economic and Business Faculty. Most of students are from family who run business. Their business are Herbal medicines, agribusiness, catering and culinary, spare parts and car services, home rents, fashion, shops, services. The business had been started in 1980-es, 1990-es and 2000-es.

Individuals with prior family business experience may incorporate their experiences, such that their attitudes and intentions can be either positively or negatively shaped towards entrepreneurial action (Carr & Sequeira, 2007). Family business can be source of education for students to be an entrepreneur and make them know about business more and interested to part of management and continue the business.

Study focuses on 44 students of 103 students who gets entrepreneurial subject which grouped in to three classes. Those students are from family who run business. By doing pre research among 15 students, they want to run other business which are not related to family business. Meanwhile, their parents have run the business for years and they just continue it. Continuing family business by next generation of the family becomes strategic. Maintaining a level of entrepreneurship over multiple generations is a primary concern for family firms (Guido Corbetta, 2014). The success of family business can be seen by their sons and daughters continue business.

Actually, campus has created educational program to drive students to be an entrepreneur but students respond entrepreneurship education is only good enough. Students are educated by entrepreneurial subject in two semesters about entrepreneurship. Curriculum related to entrepreneurial mindset, entrepreneurial competency, creativity and innovation, business ideas. Teaching methods focus on learning about competitors, family business and develop creativity and innovation to family business. Lecturer has entrepreneurial knowledge and business experience. Learning is also supported by facilities entrepreneurial book, business model canvass, business plan. Students responded entrepreneurship education is still low to support them to become an entrepreneur continue family business.

Other variable is family business. Seven students said their family teach about family business and drive to

take part in business. Their parents give an opportunity to be part of management team in running business. Research question are how is entrepreneurship education, family business and student's intention to continue family business, how is the influence of entrepreneurship education and family business toward student's intention to continue family business. Research objectives are to know and analysis family business, entrepreneurial education, influence of family business and toward student intention to continue parent business

2. Literature Review

The study of entrepreneurship education in the universities in the world had been increasing (Katz, 2003; Kuratko, 2005; Torrance, 2013). It has been given to students not only to business and management students but also in others academic disciplines. Students are encouraged to create business.

Many countries now increase entrepreneur through entrepreneurship education. Entrepreneurship education programs have accordingly experienced a rapid and global development within higher education over recent decades (Neck & Greene 2011; Fayolle 2013). It indicates how the strategic position of higher education institution in creating entrepreneur in the countries.

Entrepreneurship education consists of curriculum, teaching methodology, lecturer and facility. Curriculum relates to content of entrepreneurship education given to students while teaching method related to how to transform curriculum of entrepreneurship to the students. Lecturers have strategic role in educating students and facilities related to tools to support teaching process.

Family consists of a small group of people and everybody decision will be influenced by the family. Most of family member decisions about their future have been influenced by family. One of strategic decision for family member is about to be an employee or an entrepreneur. Parents direct their sons or daughter to choose to be an employee or an entrepreneur.

The definition of family business is a business that is controlled by a dominant member of the same family and potentially sustainable across generations (Chua et al., 1999). It indicates family members control and event manage family business with dominant power. Another character is family business has potential to be continued more than one generation.

Business that had been being running is expected to be continues by their sons or daughters. In their efforts to stay dynamic across generations, family businesses have a number of advantages and disadvantages. But how can the advantages that family businesses have be used to renew the original entrepreneurial energy that began it all? (Guido Corbetta, 2014). Parents expect their sons and daughters can use advantage of family business like knowledge and experience owned by parents, business networking in the business as well as trust that have been owned by customers, suppliers, distributors, government, banks and others, meanwhile, disadvantage like bad experience in the business can be minimized by son or daughter when they can implement management in the business.

There are three things to be remembered by family business owner to continue by their sons or daughter. They are family-related conditions: transferring the entrepreneurial spirit, firm-related conditions: financial and organizational factors and financial support (Guido Corbetta, 2014). Those three dimensions of family business can be source of advantage for the sons and daughters in the family business.

Entrepreneurship intentions can be interpreted as the first step of a process of establishing a business that is generally long-term (Lee & Wong, 2004). It relates to emotional aspect of human to start business. When one has entrepreneurship intention, it will last for long term and basic to be an entrepreneur.

Entrepreneurship involves a process that unravels over time; consequently, entrepreneurial intention is viewed as the initial phase of the process (Kautonen, 2010; Lee et al., 2011). It takes a long time process for

creating an entrepreneur and entrepreneurial intention is needed to be driven for creating business and event to continue business.

An individual's entrepreneurial intention is viewed as an impression of enthusiasm for setting up a business or creating a venture (Akinbode, 2018). There is a feeling of enthusiasm owned by an entrepreneur to start a business as well as to continue family business.

Intention to continue business is also related to entrepreneurial intention because entrepreneur focuses on developing family business which is not only the same way by what their parents had done. It can be to start a new business in family business. Entrepreneurship is related to psychological aspect and entrepreneurial education can be seen by using cognitive, affective and conative model.

Entrepreneurial intention is influenced by some factors. Hisrich et al. (2008) factors affecting entrepreneur interest is the educational environment, personality of person and family environment. It indicates that educational environment is one of factors influence entrepreneurial intention.

The family plays a fundamental role in creating entrepreneurship consciousness, by exercising great influence over the desirability and feasibility for entrepreneurial intention, for the creation of an entrepreneurial business (Shapero & Sokol, 1982). Family business which controlled by family cannot be separated from family in the context family influence their sons and daughters to be an entrepreneur.

There are three research hypotheses, entrepreneurship education influences students' intention to continue family business, family business influences students' intention to continue family business, entrepreneurship education and family business influences students' intention to continue family business

3. Methodology

The approach in this study is Descriptive and verificative. Independent variables are entrepreneurship education and family business while dependent variable is desire to continue family business. The unit of analysis is students whose parents run business. The population is 44 students whose parents run business. The study is conducted in the census. The analysis design used is path analysis.

4. Results and Discussion

The respondents are 44 students and consist of 23 male and 21 female. Family business are herbal medicines, agribusiness, catering and culinary, spare parts and car services, home rents, fashion, shops, services. The business had been started in 1980-es, 1990-es and 2000-es. Students responded to curriculum, teaching method, lecturer and facility in entrepreneurship education.

Table 1: Entrepreneurial Education

NO	Dimension and indicator	Mean
1	Curriculum	3.53
a	Entrepreneurial mindset	3,52
b	Entrepreneurial competences	3,56
c	Creativity and innovation	3,41
d	Business Ideas	3,63
2	Teaching Method	3.48
a	Study competitors business	3,48
b	Study family business	3,44
c	Creating creative ideas to family business	3,52
3	Lecturer	3.59
a	Business and management knowledge	3,63
b	Business Experience	3,56
4	Facility	3.50
a	Business Model Carvass	3,50
b	Business plan	3,48
c	Business sharing	3,48
d	Business consultation	3,56
e	Business and management Books	3,52

Among dimensions of entrepreneurship education variable, lecturer is the highest response by students, followed by curriculum, facility and teaching method. Lecturers are seen with competences in business and management knowledge is higher than business experience. Students see curriculum with business ideas as the highest and creativity and innovation as the lowest. Facility is seen business consultation as the highest and business plan and business sharing as the lowest. Method is seen creating creative ideas to family business as the highest and study family business as the lowest. Students responded family business below.

Table 2: Family Business

No	Indicator	Mean
1	Family-related conditions: transferring the entrepreneurial spirit	3.48
a	Sharing experience about entrepreneurship	3,52
b	Teaching about entrepreneurship	3,63
c	Directing to be an entrepreneur	3,30
d	Parent give capital start business	3,67
e	Parents support in running business	3,30
2	Family-related conditions: transferring business	3.47
a	Teaching business family	3,41
b	Sharing experience about family business	3,56
c	Students are involved in running business family	3,56
d	Supported by parent to run family business	3,48
e	Give access to family business partners	3,44
f	Give opportunity to develop family business	3,37
3	Firm-related conditions: financial and organizational factors	3.46
a	Management	3,33
b	Professionalism in running business	3,41
c	Service to customers	3,56
d	Business performance	3,56

Transferring the entrepreneurial spirit is responded the highest followed by transferring business and finally related conditions financial and organizational factors is responded as the lowest.

Transferring the entrepreneurial spirit are responded based on indicator such as parents give capital to start business is responded as the highest followed by teaching entrepreneurship, sharing experience about entrepreneurship and directing to be an entrepreneur and parent support in running business.

Transferring business are responded such as sharing experience about family business and are involved in running business family are the highest and followed by supported by parent to run family business, give access to family business partners, teaching business family and give opportunity to develop family business as the lowest.

Financial and organizational factors is respond such as service to customers and business performance as the highest, followed by professionalism in running business, and management and the lowest.

Regarding to intention to continue family business.

Table 3: Intention to Continue Family Business.

No	Indicaors	Mean
1	Cognition	3,57
a	Knowing about family business	3,59
b	Knowing about role of family in the family business	3,56
2	Affective	3,50
a	Interested to family business	3,33
b	Interested to be part of family business	3,67
3	Conative	3,37
a	Students want to joint family business	3,26
b	Students want family business bigger	3,48
a	Students want to continue family business	3,52
b	Students want my family business sustains for long time	3,48

Cognition is responded as the highest by students, followed by affective and conative. Cognition consists of knowing about family business as the highest and knowing about role of family in the family business as the lowest. Affective consists of Interested to be part of family business as the highest and Interested to family business as the lowest. Conative is responded by students want continue family business as the highest followed by students want to family business bigger and sustains for long time, want to joint family business as the lowest.

Hypothesis test

Hypothesis:

H₀: Entrepreneurship education and family business does not influence intention to continue family business

H₁: Entrepreneurship education and family business influence intention to continue family business

Below is the result of hypothesis test by using F test

Table 4: Hypothesis test

Hypothesis	R ²	F count	Conclusion H0
Entrepreneurship education and family business -> intention to continue family business	0.862	75.185*	Rejected

* Significant $\alpha = 0.05$ (F table = 3.403)

Based on hypothesis test on Table 4, f count is bigger than f table and indicates Ho is rejected and can be concluded entrepreneurship education and family business influence intention to run business with value 86,2% and the rest, influenced by other variables.

Hypothesis test:

Ho: $\gamma_{1i} = 0$,

- a) Entrepreneurship education does not influence students intention to continue family business,
- b) Entrepreneurship education influences students intention to continue family business,

H₁: $\gamma_{1i} \neq 0$

- a) Family business does not influence students intention to continue family business
- b) Family business influence students intention to continue family business

Results

Table 5: hypothesis Test

No	Hypothesis	t count	R ²	Conclusion Ho
a	Entrepreneurship education -> intention to continue family business	4,049	0,353	Rejected
b	Family business -> intention to continue family business	6,035	0,510	Rejected

*Signifikan pada $\alpha = 0.05$ (t table = 2.06)

Hypothesis test shows, partially, t count is bigger than t table which means Ho is rejected. It can be concluded entrepreneurship education influence student's intention to continue family business with value 35,3%. Students receive theory about entrepreneurial mindset which one of them is about how to build vision in the business. It relates to vision of student about their family business in the future. It will direct them do describe benefit of the family business in their life when they continue family business. there is a personal vision in the family business.

Besides that, learning about family business and also competitors can help them creating innovation giving by lecturer with business and management knowledge as well as business experience. Facilities provided by campus are also support understanding about business by students. This entrepreneurship education can add knowledge about family business and interested to run family business and finally, intent to run it.

Based on observation, by giving them Business Model Canvass and Business Plan, they can modify information related to competitors to their family business as a project in the class. They know more about business of competitors and family business as the basic to create an innovation.

Meanwhile, family business influences intention to continue family business with value 51%. When they discuss with parents, a lot of information they can receive about family business from aspect of management, business performance, professionalism and also customers. Indirectly, there is a transformation about knowledge, experience of their parents to the students. This information makes new knowledge in student's minds and also makes them intent to continue family business after graduated.

Result of the research above can be designed into a model improving student's intention to continue family business is presented in Figure 1 as follow.

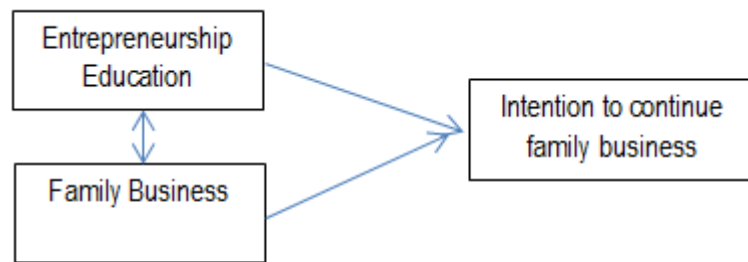


Figure 1: Model to Improve Intention to Continue Family

Compare between these two variables, family business is greater influence to intention to continue family business than entrepreneurial education. Individuals who come from families with a history of entrepreneurship are likely to be aware of these impacts of family business ownership (Fairlie & Robb, 2005). Education process on entrepreneurship is given by family to their sons and daughter and create awareness about business.

Family business becomes school for students to learn about entrepreneurial mindset from parents. This condition describes how parents teach about entrepreneurship and support to be an entrepreneur. Others, students are also learning about family business as well as condition of their family business. It can be concluded that family business has bigger influence to student's intention to continue family business.

Limitation of the study are first, this study with a limited number of respondents as many as 44 students and it should be expanding the population in further research. Second, this study has the remaining 13,6% is explained by other variables outside this study.

5. Conclusion

Entrepreneurship education influences student's intention to continue family business with value 35.3% which smaller than influence of family business to student's intention to continue family business with value 51%. Meanwhile, the two variables, entrepreneurship education and family business influence student's intention to continue family business with value 86.2%. Lecturer's is the highest dimension of entrepreneurship education responded by students and teaching method is the lowest. Family-related conditions: transferring the entrepreneurial spirit is responded by student in family business variable while management of family is responded as the lowest. Cognitive is responded as the highest by students, and conative as the lowest.

By this research, some suggestions for entrepreneurship education are more educating about creativity and innovation to students, more study about student's family business in the teaching method, increasing lecturer business experience, giving more business sharing especially in creating business plan for family business. Regarding to family business, campus communicate with parents where they are expected to direct students to be an entrepreneur and support running business, give students an opportunity to develop family business and show professionalism in family business. In the variable of student's intention to continue family business, students are expected to know about role of family in the family business, increasing interested to family business and increase a want to joint family business.

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