

## Rural Housewives Entrepreneurial Intention: Insight from Socio-Demographic and Psychological Traits in Indonesia

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### ABSTRACT

Sociopreneurs need a place to develop their abilities especially in adopting digital-based technology. This study aims to identify the factors that influence entrepreneur intention including Family, Locus of Control, Tolerance Ambiguity, Innovativeness, Need for Achievement, Risk Taking. The sample of this study contains 100 respondents who are members of the MomPreneur HORE MPH community. This study has eleven hypotheses: six hypotheses were accepted, while five hypotheses were rejected by the findings. Tolerance ambiguity has the greatest influence on entrepreneurial intention because of the uncertainties related to the transition to the end of the COVID-19 pandemic; therefore, housewives with a large degree of tolerance for ambiguity will strengthen their belief in becoming an entrepreneur despite all the challenges in this transitional period. This study expands the psychological theories of entrepreneurship leading to sustainable development goals. By discovering the psychological factors, it is possible to encourage potential entrepreneurs such as those in Jombang, Indonesia.

Keywords: Psychological Trait, Socio Demographic, Risk Taking, Entrepreneurial Intention.

### 1. INTRODUCTION

Public attention regarding the sustainable development goals (SDGs) is indicative of a shift in society's expectations of companies to move from a pure profit focus to demonstrating concrete contributions that address social problems (Tomita, 2019). In particular, the problem in society related to existing organizations is that they focus only on increasing business, but efforts to increase entrepreneurial intention are still very low. Many people, including housewives, now ask what the secret is to becoming a successful entrepreneur. One of the sociopreneurs who actively conduct entrepreneurial activities and sells their products is the Mompreneur Hore Jombang community. The Mompreneur Hore Jombang community itself is a community consisting of entrepreneurial women, housewives, and career women. Women's empowerment in the Mompreneur Hore Jombang community aims to develop the extraordinary potential of women without having to interfere with their primary obligations as housewives.

As the marketing profession evolved, its specialists envisioned the possibility of the market becoming a networked sphere where agents interact to co-create outcomes that satisfy stakeholders and increase public value (Miller, 2019). The MomPreneur HORE MPH Jombang community has been established for more than five years, which shows how strong this community is. With this community, housewives can be free to do what they want, which can

undoubtedly have a positive effect on their mood. Being a MomPreneur, of course, also helps housewives not lose their mental creativity because they will always be active, energetic, and innovative to get rid of boredom, fatigue, and even stress. In this sociopreneur approach, local cultural values are not replaced but expanded so that they can face millennial challenges. This approach can also encourage housewives to be brave in taking risks to participating in the welfare of the family without having to cease being a housewife. Furthermore, by using a sociopreneur approach, housewives can participate in making decisions for better family life by involving the poor, which is one of the focuses of the East Java government with a poverty reduction agenda.

According to data on global entrepreneurship conducted by the Global Entrepreneurship Monitor (GEM), entrepreneurship can be identified through several variables. One of the variables observed is Entrepreneurial Intention. In 2006, a survey conducted by GEM in Indonesia on 2000 respondents found that entrepreneurial intentions in Indonesia reached 30.2%. Based on a survey conducted by GEM, a person's entrepreneurial intention arises because of an intention that arises from each entrepreneur. However, it is not the only intention that becomes a reference for starting an entrepreneur. Research conducted by Altinay et al., (2011) in England showed that a person's entrepreneurial intention is influenced by several factors, namely Family, Locus of Control, Tolerance Ambiguity, Innovativeness, Need for Achievement, and Risk Taking in entrepreneurship. Based on this phenomenon, this research wants to know the significant and positive factors for the entrepreneurial intention of the Mompreneur Hore community in Jombang.

## 2. LITERATURE REVIEW AND HYPOTHESES

### 2.1 Family

The role and influence of family on entrepreneurial intentions is an area that has received surprisingly little attention in the entrepreneurship and hospitality literature. In the family, parents will provide a cultural style, home atmosphere, outlook on life, and socialization patterns that will determine attitudes, behavior, and the educational process for their children. Davidsson and Honig (2003) found a positive relationship between having parents and/or close friends in business and the encouragement and support from the family. From these statements, we can make the hypotheses that:

***H<sub>1</sub>: Family has a positive significant effect on Risk Taking***

***H<sub>2</sub>: Family has a positive significant effect on Entrepreneurial Intention***

### 2.2 Locus Of Control

Empirical studies investigating the implications of locus of control for entrepreneurship-related activities, particularly for the intention to start up a business, have produced contradictory results. Gurel et al. (2010), who investigated the entrepreneurial intentions of a group of 409 British and Turkish students, found no statistically significant relationship between locus of control and intention to start up a business. However, in a study of university students in Singapore, Ang and Hong (2000) found that the internal locus of control was a determinant of entrepreneurial intentions. From these statements, we can make the hypotheses that:

***H<sub>3</sub>: Locus of Control has a positive significant effect on Risk Taking***

***H<sub>4</sub>: Locus of Control has a positive significant effect on Entrepreneurial Intention***

### 2.3 Tolerance Ambiguity

Risk-taking propensity is viewed as one of the determinants of entrepreneurial intention (Koh, 1996; Gurel et al., 2010; Gurol and Atsan, 2006). A study by Sexton and Bowman-Upton (1990) confirms this argument by indicating that potential entrepreneurs were more tolerant of

ambiguity than potential managers. These findings (Wee et al., 1994) suggest that the level of tolerance ambiguity could be proportional to the degree of propensity to take risks. These arguments lead to the following hypotheses:

***H<sub>5</sub>: Tolerance Ambiguity has a positive significant effect on Risk Taking***

***H<sub>6</sub>: Tolerance Ambiguity has a positive significant effect on Entrepreneurial Intention***

#### **2.4 Innovativeness**

The increasing importance of innovation to entrepreneurship is reflected in the significant increase in the literature examining innovation's role and nature (Drazin and Schoonhoven, 1996; Drucker, 1985). In a study by Utsch and Rauch (2000), innovativeness and initiative were found to be moderating factors between achievement orientation (a construct that includes locus of control and need for achievement) and entrepreneurial success. From these statements, we can make the hypothesis that:

***H<sub>7</sub>: Innovativeness has a positive significant effect on Risk Taking***

***H<sub>8</sub>: Innovativeness has a positive significant effect on Entrepreneurial Intention***

#### **2.5 Need for Achievement**

McClelland (1976) asserts that the need for achievement is one of the characteristics of a person's personality that will encourage someone to have entrepreneurial intentions. Within the research domain of personality traits, achievement motivation or the need for achievement is one of the most prominent theoretical arguments related to entrepreneurship (McClelland, 1961; Gurol and Atsan, 2006). Thus, the following hypothesis is proposed:

***H<sub>9</sub>: Need for Achievement has a positive significant effect on Risk Taking***

***H<sub>10</sub>: Need for Achievement has a positive significant effect on Entrepreneurial Intention***

#### **2.6 Risk Taking**

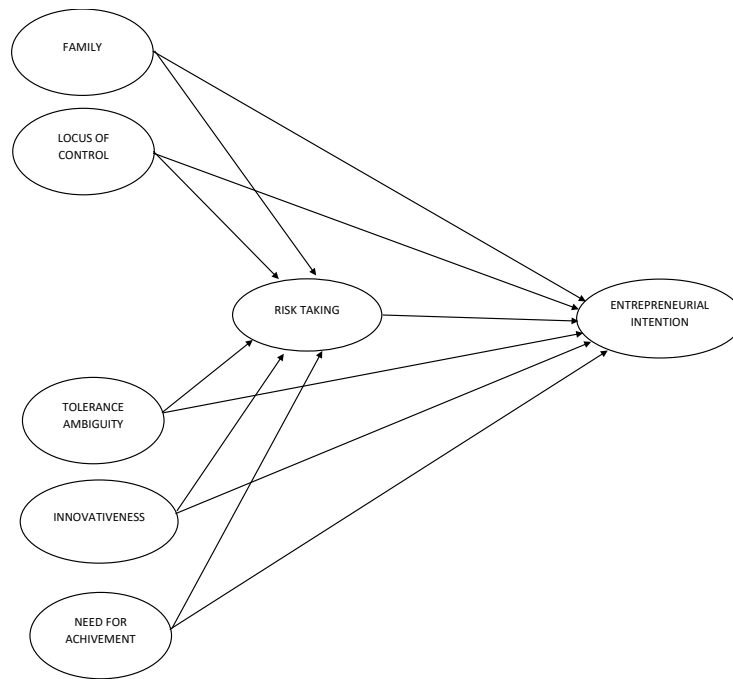
Risk-taking propensity is an important element of entrepreneurship and refers to the propensity of an individual to exhibit risk-taking or risk avoidance when confronted with situations that might involve an element of risk (Gurol and Atsan, 2006). Research by Koh (1996) and Gurol and Atsan (2006) found that students with more risk-taking propensity are more entrepreneurially inclined. Thus, the following hypothesis is proposed:

***H<sub>11</sub>: Risk Taking has a positive significant effect on Entrepreneurial Intention***

### **3. RESEARCH ISSUE AND METHODOLOGY**

#### **3.1 Research Issue**

This research is causal because it is based on developing previous research models to test and answer existing problems. The research method used is a qualitative method with an instrumental case with the use of FGD and interviews as well as quantitative methods because this study uses data obtained from questionnaires that will be distributed to the Mom Preneur Hore (MPH) community. The technique that will be used to carry out this research is the saturated sampling technique. Respondents in this study were 100 housewives. The research model used in this study is:



**Figure 1. Research Model**  
Source: Analysis, 2022

#### 4. FINDING AND DISCUSSION

##### 4.1. Findings

##### 4.1.1. Validity Test

Based on the test of the data validity from Table 4.1, all the indicators used to estimate each variable are valid since the value of the factor loading for every question is larger than 0.197 (critical r).

**Table 4.1 Validity Test**

FB	LC	TA	IN	NA	RT	EI							
FB1	.738	LC1	.861	TA1	.600	IN1	.789	NA1	.695	RT1	.628	EI1	.651
FB2	.460	LC2	.888	TA2	.668	IN2	.831	NA2	.756	RT2	.614	EI2	.790
FB3	.735	LC3	.647	TA3	.602	IN3	.741	NA3	.336	RT3	.539	EI3	.800

Source: own calculation, 2022

##### 4.1.2 Reliability Test

From Table 4.2, all the regressions have the Cronbach Alpha value higher than 0.5, so all the variables are reliable/consistent.

**Table 4.2 Reliability Test**

Variable	Cronbach's Alpha
FB	0.788
LC	0.897
TA	0.785
IN	0.892
NA	0.752
RT	0.763
EI	0.867

Source: own calculation, 2022

### 4.1.3 Normality Test, Multicollinearity Test, Multiple Regression, and t test

The results are given as follows:

**Table 4.3 Normality Test, Multicollinearity Test, Multiple Regression, and t test**

Regression	Normality Test	Tolerance	VIF	t-test	Standardized Coefficients Beta
FB → RT	0.087	0.462	2.167	0.188	0.079
LC → RT		0.269	3.711	0.349	-0.073
TA → RT		0.156	6.421	0.006	0.291
IN → RT		0.130	7.675	0.003	0.343
NA → RT		0.248	4.039	0.000	0.336
FB → EI	0.132	0.453	2.207	0.639	0.031
LC → EI		0.267	3.746	0.334	-0.083
TA → EI		0.143	6.972	0.011	0.304
IN → EI		0.118	8.442	0.116	0.203
NA → EI		0.210	4.772	0.005	0.275
RT → EI		0.154	6.494	0.042	0.221

Source: own calculation, 2022

From table 4.3 for two regressions that have been conducted, the data distributed normally (Kolmogorov Smirnov  $> 0.05$ ) without correlation among the independent variables as the tolerance value is larger than 0.1 and the VIF value is smaller than 10. The result for the t-test shows that the six hypotheses are supported because the t-test is lower than 0.05, while the other five hypotheses are rejected. From the result of the standardized coefficient, the tolerance ambiguity has the largest effect on entrepreneurial intention, while Innovation has the largest effect on risk-taking. Meanwhile, the locus of control has the smallest effect on risk-taking, while the family background has the smallest effect on entrepreneurial intention.

## 4.2 Discussion

The results of this study show that Family, Locus of Control, Tolerance Ambiguity, Innovativeness, and Need for Achievement have positive and significant effects on Risk Taking, while Family and Locus of Control have insignificant effects on Risk Taking. On the other side, Tolerance Ambiguity, Need for Achievement, and Risk Taking have positive and significant effects on Entrepreneurial Intention, but Family, Locus of Control, and Innovativeness have insignificant effects on Entrepreneurial Intention.

The results suggest that tolerance ambiguity has the largest influence in creating entrepreneurial intention. This is due to the uncertainties related to the transition to the end of the COVID-19 pandemic. Therefore, housewives with high tolerance for ambiguity strengthen their belief in becoming an entrepreneur despite all the challenges during this transitional period.

The need for achievement is another variable that significantly influences entrepreneurial intention and increases Risk-taking. This is because the need for achievement is the basic desire that encourages housewives to move out of their comfort zone. This desire gives them the spirit to achieve the desires that could have been buried by family duties.

Innovation is the most influential variable in increasing Risk taking associated with entrepreneurial intention. To try new things, namely, one needs to innovate and have the courage to take risks. As routine is the daily life of housewives, the willingness to take risks will strengthen entrepreneurial intention by innovation.

Locus of control has an insignificant effect on risk-taking and entrepreneurial intention. This result is interesting considering that previous research (Ang and Hong, 2000) found a positive and significant effect. This is because obedience to husbands is considered a culture

in Indonesian rural regions. The majority adhere to the culture that housewives should stay at home and take care of the household. Men, as the household heads, are supposed to earn a living. It would be ideally communicated to every family that housewives can earn a living and at the same time take care of the family, especially during the current pandemic when most families experienced a decline in incomes. The overall economy can improve if husbands and wives can help each other.

Finally, Family is insignificant in improving Entrepreneurial Intention and Risk Taking. This is because people in rural areas are used to being farmers. Even if they start their own businesses, those businesses ventures are usually part-time activities that is not the central part of the family's livelihood.

## 5. CONCLUSION

Managerial implications of this finding can be obtained based on the theory that has been developed as follows: First, Tolerance Ambiguity is an important factor affecting entrepreneurial intention and risk-taking. Therefore, an effort can be made to hold a seminar on risk where the seminar explains that risk is common in every part of human life. It can motivate housewives to accept risk as a normal part of life. With a seminar that explains the risks to the public, it can educate the public about the risks that can occur when using information technology, so it is not as if everything you do is wrong. There is a risk. Therefore, this seminar also aims to prevent all people from abusing information technology so that it does not happen.

Second, Risk Taking is a crucial factor that affects Entrepreneurial Intention. The step that can be done is to conduct training on the use of social media in running a digital business conducted through e-commerce. The rapid development of technology leaves many housewives behind in the field of technology. This must be very honed by housewives so that in social media, they can understand how to operate various kinds of digital marketing in various kinds of e-commerce. This training must demonstrate how to download applications to register products, so housewives do not experience technological lag with millennial children. Housewives will be more sophisticated in promoting through social media so that many people can get to know the products sold by housewives. Begin to transition from the traditional way to the modern way.

Third, the Need for Achievement is an important factor that affects the Risk Taking of becoming an Entrepreneurial Intention. The step that can be done is to hold seminars that hone soft skills. In trying something, you will certainly experience failure, so the thing you have to do is keep trying until you can. Providing seminars for housewives in the community will add new insights into how housewives carry out innovation in developing their soft skills. Soft skill is an individual's special skill in doing a thing or activity. Usually, the soft skill of a housewife is cooking or selling. These two soft skills are interrelated so that the soft skills can be a provision for housewives to try new things, such as selling. Through hobbies, soft skills can also develop because there are habits that are carried out in everyday life, which have a very positive impact on housewives in trying new things. If a housewife has tried to do something new, she must have a consistent intention of selling or doing what she is doing. Housewives can be consistent with what they get because whatever they get is a result obtained with their soft skills.

Fourth, Innovativeness is an important factor that affects the Risk Taking but is not significant in improving Entrepreneurial Intention. The step that can be done is to hold seminars on learning information technology seminars held for the Mompreneur community can make it easier to use information technology because nowadays, everything is digital. Therefore, it

is essential to study information technology and know about technological developments so as not to be left behind.

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