



Predicting the Unseen: Entrepreneurial Opportunity on Entrepreneurial Intention

Ida Ketut Kusumawijaya*

Department of Management, Triatma Mulya University, Bali, Indonesia. *Email: ik_kusumawijaya@yahoo.com

Received: 01 July 2019

Accepted: 02 September 2019

DOI: <https://doi.org/10.32479/irmm.8662>

ABSTRACT

This study examines entrepreneurial opportunity to predict entrepreneurial intention of star hotels employee in Bali. Respondents of this study were star hotels employees in Bali total 156 people with 100% response rate. The initial evaluation was carried out by evaluating the measurement model, namely the validity and reliability of each reflective construct. Next is the evaluation of the structural model for testing the research model where each research instrument uses a 5 Likert scale measurement, with the WarpPLS 4.0 program. The parameters significance is determined by resampling bootstrapping and using 500 sub-samples of equal size to that of the original sample. The results and discussion show that the hypothesis testing showing innovation and growth of star hotel employees in Bali are able to predict entrepreneurial intention not significantly. Financial return can predict employee star hotels in Bali significantly entrepreneurial intention. The investment return of star hotel employees in Bali can predict significant entrepreneurial intention. The hypothesis testing indicates that the internal factor is able to predict entrepreneurial intention the star hotel employee in Bali significantly. And this research indicates that the customer predicts entrepreneurial intention star hotel employee in Bali not significantly.

Keywords: Entrepreneurial Intention, Innovation and Growth, Financial Return, Investment Return, Internal Factor

JEL Classifications: L26, M21

1. INTRODUCTION

An employee can become an entrepreneur if he is able to see, utilize and develop entrepreneurial opportunities and is able to take entrepreneurial actions (Burton et al., 2016). Entrepreneurial actions according to Hansemark (1998) can provide benefits such as giving entrepreneurial opportunities and the freedom to control resource, economic and social activities to achieve self-potential and achieve maximum benefits (Lewis et al., 2016). The same opinion is conveyed by Tran and Korflesch (2016) that career choices as entrepreneurs provide a number of business opportunities to achieve financial independence, provide economic benefits through contributions to job creation, innovation and economic growth (Dumitru and Dumitru, 2018). Support for these findings by Fairlie and Fossen (2018) states that the contribution of entrepreneurial opportunity in overcoming unemployment leads to entrepreneurial intention. Entrepreneurial intention is a

key behavior for entrepreneurship because it is able to predict the opportunity to start a business and entrepreneurship in the future by carrying out an entrepreneurial action.

Entrepreneurial intention according to Dinis et al. (2013) is an initial process and reflects a person's commitment to start a new business (Brodack and Sinell, 2017). The cornerstone of the development of the study of entrepreneurial intention by Ajzen (1991) is the Theory Planned Behavior (TPB) which explores the determinants of entrepreneurial intention, many of which are recommended by many researchers (Krueger et al., 2000; Liñán and Chen, 2006; Dinis et al., 2013; Woo, 2018). According to Vuorio et al. (2017) that the construct of TPB theory and models are: attitude toward behavior, subjective norms and perceived behavioral control are often used by determinants of individual characteristics in creating and building entrepreneurial intentions (Miranda et al., 2017) Encourage the growth of entrepreneurial

intention according to Burton et al. (2016) depends on someone's motivation to dare to choose an entrepreneur as a career choice. This opinion is corroborated by the findings of Smallbone and Welter (2009) showing that entrepreneurial intention is the interest of individuals to develop their potential and resources and create entrepreneurial opportunities to develop businesses (Scarborough, 2011; Kusumawijaya, 2018).

Entrepreneurial opportunity according to Qing (2011) is a set of potential information as a basis for decision making to establish a business consisting of: Innovation and growth, financial returns, investment returns, internal factors and customers (Rhoads, 2016). The decision to set up a business stated by Lynn et al. (2017) sought to work hard to transform potential resources and information and create entrepreneurial opportunities into business reality. Creating entrepreneurial opportunities according to Bujor and Avasilcai (2016) is the ability to improve the quality of innovative creative thinking (Shamudeen et al., 2017). The emerging entrepreneurial opportunity is developed and realized into a business. The entrepreneurial opportunity aspect starts from the emergence of the initiative of the opportunity to be captured or created, the initial design of the business, the design of the business implementation of the business to the evaluation and continuation of the business.

The ability to see, create entrepreneurial opportunity is what must be built by employees of star hotels in Bali when they have entrepreneurial intention, choosing as an entrepreneur to be a career choice of work and trying to realize it into a desired business. So that the potential to become an entrepreneur is much in demand by employees of star hotels in Bali must be balanced with the ability to create entrepreneurial opportunities. This study examined the predictive ability of entrepreneurial opportunity (Qing, 2011) on entrepreneurial intention (Dinis et al., 2013). The initial testing was done by predicting innovation and growth on entrepreneurial intention, testing the ability of financial returns in predicting entrepreneurial intention, predicting investment return on entrepreneurial intention, testing the prediction of internal factors on entrepreneurial intention and predicting the customer towards entrepreneurial intention in star hotel employees in Bali.

2. CONCEPTUAL REVIEW AND HYPOTHESES

2.1. Conceptual Review of Innovation and Growth and Entrepreneurial Intention

In an era of increasingly intense competition between companies according to Zhai et al. (2018), entrepreneurs are required to have the ability to develop business strategies to adapt to a dynamic business environment Zhai et al. (2018). Bashir and Akhtar (2016) added that entrepreneurs need proactive abilities and courage to take risks to create innovative products ahead of competitors (Kabukcu, 2015). According to Rannikko and Autio (2015) entrepreneurs are people who dare to open independent productive activities by taking advantage of opportunities to create new businesses. Productive activities can improve the quality of innovative creative thinking in order to foster the ability to create business opportunities that are developed and

manifested into a business. The potential of innovation creativity expressed by Huggins and Thompson (2015) becomes a strong fundamental for an entrepreneur to increase the ability to create or to innovate new ways of making business decisions. Innovative creativity is the ability of entrepreneurs according to Robles and Zárrega (2015) to develop new ideas and find new ways to solve problems, take advantage of opportunities and face competition. In this regard (Naudé, 2013) added that innovation creativity is an important source in creating growth (growth creation) in increasing business competitive advantage. Likewise, the case with Dogan (2015) illustrates that entrepreneurs as risk takers in running businesses with innovative approaches to create business growth to become independent in facing the challenges of business competition (Sevil and Koç, 2015). An innovative approach to creating business growth is a realistic proof that is able to inspire and bring entrepreneurial intention to other individuals. Where the characteristics of entrepreneurial intention according to Berg (2014) show a dynamic, innovative and adaptive ability to change the progress of science and technology and continuous improvement capabilities of business growth. Based on the statement above, the hypothesis in this study are:

H1. Innovation and growth have an effect on entrepreneurial intention.

2.2. Conceptual Review of Financial Return and Entrepreneurial Intention

There are many obstacles and obstacles that cannot be avoided by entrepreneurs in doing business, therefore according to Manso (2016) an effective business financial management strategy is needed. An effective entrepreneur financial management strategy by Tomer and Bhatt (2017) is managing and utilizing resources and potential through the realization of logical and good financial planning by using financial instruments to create financial performance and financial returns that are valid and reliable (Mason et al., 2015). Financial performance indicators and the financial return ability of an entrepreneur are often the main attraction of growing entrepreneurial intention for other individuals Kerr and Nanda (2009) with indicators including: sales growth, sales margin, cost structure, capital requirements. The statement is in accordance with Pandher and Parker (2015) that an entrepreneur is able to build competitive advantage by creating the strength of business financial performance (Block et al., 2018) such as achieving income, profit, cash flow, return on capital used, the rate of return on investment and economic added value. The creation of financial value-added economic performance will also be a stimulus for creating entrepreneurial intention for individuals who have the desire to open a business. Based on the statement above, the hypothesis in this study are:

H2. Financial returns have an effect on entrepreneurial intention.

2.3. Conceptual Review of Investment Return and Entrepreneurial Intention

Entrepreneurs intention according to Tomer and Bhatt (2017) must be accompanied by competency in designing business feasibility, namely by evaluating investment returns including assessing the amount of investment needs and making cash flow. Because in the opinion of Pandher and Parker (2015), entrepreneur investment decisions will be accepted in the future with all the risks faced.

So the method of valuing investment returns according to Dahiya and Ray (2011) with regard to the amount of investment, the amount of funds needed, both for investment capital, purchase of fixed assets and working capital and income obtained using the payback period method, net present value, internal rate of return, profitability index. This is supported by Block et al. (2018) that the investment return valuation method to support the achievement of business financial performance as a continuous process to achieve the goals and success of investment aspects. The success of the investment return aspect is also used to measure the impact of investment performance strategies implemented by the organization as well as being a determinant in creating other individual entrepreneurial intentions. According to Ray (2010) that business investment performance is the achievement of business activities carried out by organizations formed by the competency of managing business finance to achieve superior performance (Theodore and Schult, 2014), which becomes a determinant of the emergence of entrepreneurial intention for other individuals. Based on the statement above, the hypothesis in this study are:

H3. Investment return influence on entrepreneurial intention.

2.4. Conceptual Review of Internal Factor and Entrepreneurial Intention

According to Kerr et al. (2017) that entrepreneurs have internal dynamic psychophysical systems that determine the entrepreneur's adaptation process uniquely to the social and business environment (Chung, 2017; Woo, 2018). Hayrapetyan (2016) added that entrepreneurs have an internal factor in the form of the ability to change environmental uncertainty into a benefit for the business. In this regard, Radzi et al. (2017) argue that the internal factor in question is the ability of strategic decision making to include new technological processes, enlarging access to new market segments that are unique compared to competitors to create competitive advantages (Windapo, 2018). The same opinion was also conveyed by Haarhuis (2015) that an entrepreneur must have internal factors such as capability and resources different from competitors so that it has a sustainable competitive advantage in the form of a business positional advantage. The business positional advantage possessed is a competitive dynamic obstacle because it can be a barrier to the entry of competitors. Nafie et al. (2015) stated that the development of competitive strategies is an internal factor of business by identifying entrepreneur resources to achieve the objectives formulated by connecting businesses with the social and economic environment (Mack and Pützschel, 2014). Entrepreneurial resources in the form of internal factors are able to motivate and create entrepreneurial intention for other individuals who want to work as entrepreneurs. Based on the statement above, the hypothesis in this study are:

H4. Internal factors influence entrepreneurial intention

2.5. Conceptual Review of Customer and Entrepreneurial Intention

Entrepreneurs must be able to design business strategies systematically and dynamically (Hakala and Kohtamaki, 2011) to benefit from ever-changing market and customer developments. Gorica and Buhajoti (2016) added that entrepreneurial market orientation is the process of generating and providing market information for the purpose of creating customer value (Geis,

2015). Entrepreneurs have the principle of trying to satisfy customer needs and desires (Chokesikarin, 2014) which are reflected in superior products, profitability, market acceptance, market size and market share (Lu and Zhang, 2016). This principle is according to Jones and Rowley (2011) that entrepreneurs understand customers and develop strategies to meet customer needs more than competitors do. Likewise Filser et al. (2014) stated that proactive ability to identify factors that influence customer satisfaction by creating innovative products precedes competitors (Muñoz, et al., 2016). Entrepreneurs always observe market changes (Becherer et al., 2012) and respond quickly to these changes by using several marketing performance indicators as measures of achievement obtained to measure the impact of business strategies (Thoumrungroje and Racela, 2013). All capabilities and capacities of entrepreneurs related to customer satisfaction are crucial in creating entrepreneurial intention of someone who has the desire to become an entrepreneur. Based on the statement above, the hypothesis in this study are:

H5. Customer influences entrepreneurial intention.

Based on the study of concepts and hypotheses above, the following picture presented the framework of research that will be implemented (Figure 1):

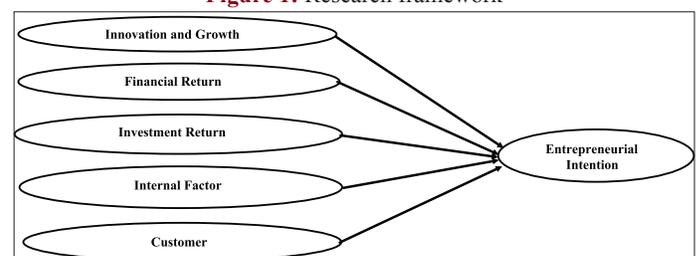
3. RESEARCH DESIGN

This study was conducted to examine the research instrument based on entrepreneurial intention (Dinis et al., 2013) with exogenous variables, namely: entrepreneurial opportunity consisting of innovation and growth dimensions, financial returns, investment returns, internal factors and customers (Qing, 2011) in employees star hotels in Bali with 156 respondents. The technique of collecting data uses a questionnaire with a response rate of 96.79%.

The initial evaluation is done by examining the measurement model, which is validity and construct reliability measured in a reflective manner. Measuring instrument model evaluation by looking at the criteria of convergent validity, discriminant validity and construct reliability (Kock, 2011), each research instrument used a 5 Likert scale measurement.

Overall, if the results of the reflective construct measurement model meet the requirements then it can be continued with an evaluation on the structural model for testing the research model (Hair et al., 2017) using the WarpPLS 4.0 program. Parameter significance is determined by resampling bootstrapping and using 500 sub-samples of equal size to that of the original sample (Miranda et al., 2017; Kock, 2018).

Figure 1: Research framework



4. RESULTS

4.1. Evaluation Results of the Goodness of Fit Research Model

The result of research data analysis stated that evaluation of goodness of fit research model seen from model fit indices and p values by showing result of three fit indicator that is average path coefficient (APC) and average R-square (ARS) used to measure average path value coefficient and R-square coefficient. The average variance inflation factor (AVIF) and Average Full collinearity VIF were used to test the collinearity problem in the research model. The p value is given for APC and ARS indicator calculated by estimation of resampling and Bonferroni like correction. The fit model interpretation is that the p value for APC and ARS should be <0.05 or significant. In addition the size of AVIF and AFVIF as indicators of multicollinearity should be smaller than 5. The measurement results of goodness of fit research model shown in the following Table 1.

From the Table 1, show that the evaluation of goodness of fit model of this research shows APC value of 0.213 with $P < 0.001$

Table 1: Evaluation results of goodness of fit research model

No	Evaluation	Value	P value	Criterion	Description
1	APC	0.213	<0.001	Significant if <0.05	Significant
2	ARS	0.960	<0.001	Significant if <0.05	Significant
3	AVIP	2.240		There is no multicollinearity if the value is <5	Meet the criteria

Source: Primary data processed, 2019. APC: Average path coefficient, ARS: Average R-square

Table 2: Estimated evaluation results measurement instrument research

Outer model evaluation	Construct	Value	Criterion	Description	
Convergent validity	Innovation and growth	0.592	AVE value >0.50	Valid	
	Financial return	0.641			
	Investment return	0.649			
	Internal factor	0.655			
	Customer	0.637			
	Entrepreneurial intention	0.621			
Predictive validity	Entrepreneurial intention	0.959	q-square value >0	Valid	
	Discriminant validity	Innovation and growth			0.701
Composite reliability	Financial return	0.801			
	Investment return	0.806			
	Internal factor	0.809			
	Customer	0.798			
	Entrepreneurial intention	0.788			
	Innovation and growth	0.828	Composite reliability >0.70	Reliable	
Alpha cronbach's	Financial return	0.877			
	Investment return	0.847			
	Internal factor	0.883			
	Customer	0.875			
	Entrepreneurial intention	0.908			
	Innovation and growth	0.740	Alpha cronbach's >0.70	Reliable	
	Financial return	0.812			
Investment return	0.730				
Internal factor	0.821				
	Customer	0.809			
	Entrepreneurial intention	0.878			

Source: Primary data processed, 2019

and ARS of 0.960 with $P < 0.001$. This means that the research model meets the criteria of goodness of fit and significant. While the AVIF value of 2.240 is smaller than 5, it shows that neither vertical nor lateral multicollinearity occurs in the research model. This means that the predictors in the research model do not occur to be mutually correlated and there is no collinearity problem between the predictors and the criterion in the research model.

4.2. Estimated Evaluation Results Measurement Model

The evaluation of the measurement model examines the validity and reliability of indicators that measure constructs or latent variables. In this study the 6 latent variables are: innovation and growth, financial return, investment return, internal factor, customer and entrepreneurial intention. The six latent variables are measured through a set of measuring instruments with reflective indicator measurement models, so in the evaluation of the measurement model is done by examining the convergent, predictive, discriminant validity of the indicator, as well as composite reliability and alpha cronbach's for the reliability of the indicator block.

From result of data analysis using WarpPLS 4.0 summarized result of evaluation of validity and reliability of research model instrument (outer model) in the following Table 2.

Evaluation of measurement instruments from validity consists of: convergent validity, that the instrument of each indicator of the research variable has a value of cross loadings >0.6 , and the average variance extracted (AVE) value >0.5 indicates the validity of variable indicators namely: innovation and growth variable is 0.592, financial return is 0.641, investment return is 0.649, internal

factor is 0.655, customer variable is 0.637 and entrepreneurial intention is 0.621. Discriminant validity criteria can be fulfilled if the value of (\sqrt{AVE}) latent variable is greater than the latent variable correlation coefficient, namely: innovation and growth variable of 0.701, financial return of 0.801, investment return of 0.806, internal factor of 0.809, customer variable of 0.798 and entrepreneurial intention of 0.788. For predictive validity, it is measured from the q-square value of the endogenous variable research model, namely: entrepreneurial intention variable of 0.959 >0 (zero), thus fulfilling the predictive validity criteria.

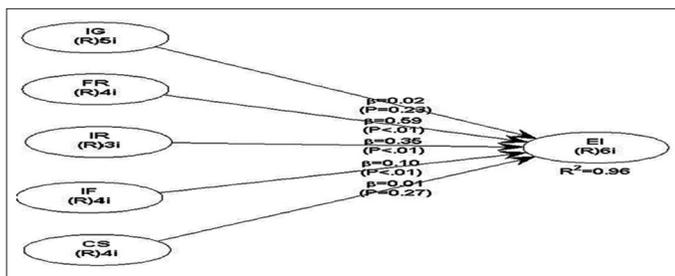
While the criteria for the reliability of the research measurement instrument are shown by the composite reliability value and the cronbach's alpha value of each measurement instrument in this research model has a value >0.7. Composite reliability value for innovation and growth variable is 0.828, financial return is 0.877, investment return is 0.847, internal factor is 0.883, customer variable is 0.875 and entrepreneurial intention is 0.908 >0.7. Alpha cronbach's value for innovation and growth variable is 0.740, financial return is 0.812, investment return is 0.730, internal factor is 0.821, customer variable is 0.809 and entrepreneurial intention is 0.878. So the measurement instruments of this research are said to be reliable.

Based on the evaluation results of the measurement instrument, namely convergent validity, predictive, discriminant and composite reliability and reliability, Cronbach's alpha, it can be said that the indicators of the research variables are valid and reliable, so the data analysis process can be continued on evaluation of structural or inner models model.

4.3. Results of Estimated Structural Model Evaluation

Results of analysis of research structural models predicting the unseen: entrepreneurial opportunity on entrepreneurial intention

Figure 2: Estimation of the research model predicting the unseen: entrepreneurial opportunity on entrepreneurial intention



Source: Primary Data Processed, 2019

Table 3: Results of estimated path coefficients and value P

Path	Path coef.	P value	Status	Ket	Standard error*	Effect size**
Innovation and growth→Entrepreneurial intention	0.017	0.234	H1 accepted	Not Significant	0.023	0.003
Financial return→Entrepreneurial intention	0.587	<0.001	H2 accepted	Significant	0.033	0.558
Investment return→Entrepreneurial intention	0.353	<0.001	H3 accepted	Significant	0.049	0.317
Internal factor→Entrepreneurial intention	0.096	<0.001	H4 accepted	Significant	0.035	0.081
Customer→Entrepreneurial intention	0.014	0.266	H5 accepted	Not Significant	0.022	0.002

Source: Primary data processed, 2019. *is the standard error value, if: small indicates a significant model and there is no problem collinearity. **is the effect size value indicating the size of the contribution and the significance of the exogenous variable to explain variation of endogenous variables, if: >0.02; >0.15; and>0.35 indicates a small category; medium; and great

is the result of testing the research hypothesis can be seen in the following Figure 2.

From the drawing picture estimation model research predicting the unseen: entrepreneurial opportunity on entrepreneurial intention above, can be summarized for analysis in testing hypothesis research in the Table 3.

Estimation of the structural model of the study by displaying path coefficients and P values to evaluate the magnitude of exogenous variables predicting endogenous variables as presented in the table above. For innovation and growth predictions on entrepreneurial intention with a path coefficient of 0.017 with a significant level of 0.234 indicating that innovation and growth of star hotel employees in Bali are able to predict entrepreneurial intention but not significant, and effect size 0.003 means that innovation and growth contributions to entrepreneurial intention include the category is small. Entrepreneurial intention of star hotel employees in Bali is also influenced by financial returns with a path coefficient value of 0.587 and a significance level of <0.001, and an effect size of 0.558 means that the contribution of the financial return to the entrepreneurial intention category is large. Furthermore, the investment return is able to predict entrepreneurial intention star hotel employees in Bali with a path coefficient of 0.353 and a significance level smaller than 0.01, and an effect size of 0.317 means that the contribution of investment returns to entrepreneurial intention in medium category.

Likewise with the entrepreneurial intention star hotel employee in Bali influenced by the internal factor significantly with the path coefficient value of 0.096 with the significance value <0.001, and the effect size value of 0.081 means the contribution of internal factors to entrepreneurial intention in medium category. For the customer variable, it is able to predict entrepreneurial intention the star hotel employees in Bali not significantly. The path coefficient value is 0.014 and the significance level is 0.266, and the effect size value of 0.002 means that the contribution of the customer variable to the entrepreneurial intention category is small.

In addition to estimation of research model by showing path coefficient and P value to evaluate the amount of exogenous constructs predict endogenous kostruk as presented in table above. The estimation result of the research model also presented R-square, Adjusted R-square and Q-square which estimates the effect of exogenous variables on variation of endogenous variables in the research model, as in the Table 4.

Table 4: Estimation of R-square, adjusted R-square and Q-square criteria research

Criteria	Entrepreneurial intention
R-square*	0.960
Adjusted R-square**	0.980
Q-square***	0.959

Source: Primary data processed, 2019. *R-square, when its value: >0.70 ; >0.45 ; and >0.25 indicates a large category; medium; and small. **Adjusted R-square, when its value: >0.70 ; >0.45 ; and >0.25 indicates a large category; medium; and small. ***Q-square, when its value: $Q^2 > 0$ shows the model has a predictive relevance, and if $Q^2 < 0$ indicates that the model has less predictive relevance

To estimate the influence of innovation and growth, financial return, investment return, internal factor and customer to entrepreneurial intention variable, it can be seen from R-square value 0.960. This means that entrepreneurial intention is contributed by innovation and growth, financial return, investment return, internal factor and customer of 96%, and includes influence in large category, while the remaining 4% is influenced by other factors that are not included in this study. While estimation of Adjusted R-square value, show that innovation and growth, financial return, investment return, internal factor and customer influence entrepreneurial intention equal to 0,980, meaning entrepreneurial intention influenced by construct innovation and growth, financial return, investment return, internal factor and customer of 98%, and including influence in small category, while the remaining 2% is influenced by other factors not included in this study.

Estimated evaluation of Q-square value in this study for entrepreneurial intention variables, each of 0.959. Given the criterion of q-square value when its value: $Q^2 > 0$ indicates the model has predictive relevance, and if the value of Q^2 is < 0 indicates that the model lacks predictive relevance. So, for entrepreneurial intention in this study have met the criteria as a model that has predictive relevance.

5. DISCUSSION

5.1. Hypothesis Testing 1: Innovation and Growth have a Positive Effect on Entrepreneurial Intention

The results of testing hypothesis 1 indicate and give an illustration that innovation and growth can influence and improve entrepreneurial intention employee star hotels in Bali but not significantly. From the results of the analysis, the research also shows that the contribution of innovation and growth is of small value and can be neglected towards the emergence of entrepreneurial intention in star hotels employee in Bali. These results provide a sign that the creation of a desire to become an entrepreneur is not influenced by the process of creativity and innovation and the expected value of growth, but there are other factors that influence which require further research to explain. Even though entrepreneurial intention according to Naudé (2013) is a means to create economic added value and has implications for the wider environment by opening a business (Chen et al., 2018). Likewise with the opinion of Qing (2011) which states that entrepreneurial activity increases adaptability to changes in the business environment with the risk consequences faced (Gozukara and Colakoglu, 2016). The results of this study are different from the opinion of Braunerhjelm (2010) which states that entrepreneurs

have a commitment to create innovation and proactively identify and create and utilize business opportunities (Huggins and Thompson, 2015). Entrepreneur strategies are a source of business competitive advantage by developing entrepreneurial competencies. All potential benefits of entrepreneurial resources are utilized and managed to create a quality of business management that is unique, rare, difficult to replicate and not easily substituted by competitors. Different findings also conveyed by Rannikko and Autio (2015) that innovativeness entrepreneurs are central to creative processes in the economy that drive growth, increase productivity and create productive activities (Szirmai et al., 2015). This finding is reinforced by Bashir and Akhtar (2016) who stated that innovation is a source of success for competing entrepreneurs, because innovation is the main determinant in creating high performance and business sustainability. Abu-Aisheh (2018) findings also agree that states that entrepreneurs develop innovation and correlate with the process of creating new needs and uses and their impact on the creation of new business opportunities and markets. An entrepreneur has high creativity. Creativity is related to innovation in the process of creating new and original products, ideas, or procedures and potentially relevant or useful for a business (Kusumawijaya, 2018). So that creativity and innovation of entrepreneurs always grow and develop and foster confidence in the creation of entrepreneurial intention by providing challenges, freedom, resources and organizational support (Hisrich et al., 2017; Miranda et al., 2017).

5.2. Hypothesis Testing 2: Financial Returns have a Positive Effect on Entrepreneurial Intention

The results of testing hypothesis 2 indicate that the financial return of star hotels employee in Bali can significantly influence and increase entrepreneurial intention. The results of this study also show the effect of financial return with the contribution of large categories, meaning that the attractiveness of financial aspects becomes very dominant in determining the desire to work as an entrepreneur into a career choice. This analysis and discussion is supported by the findings of Kerr and Nanda (2009) that entrepreneurship is a process of managing production activities from economic resources in meeting consumer needs to create growth and business profit margins. The same opinion was also expressed by Lazonick (2008) that entrepreneurs play an important role in managing business economic resources by careful planning on the use of venture capital because it has an important function in managing financial returns to maintain business survival (Pandher and Parker, 2015). Opinion Winton and Yerramilli (2003) reinforces the notion that management of business capital is related to financial returns and management of financial resources, reflected in the form of sharing types of foreign capital and own capital (Block et al., 2018). Management of financial returns and financial resources is reflected in the form of various assets in the balance sheet both current assets and fixed assets. The more appropriately allocated funds to various assets according to Markova and Petkovska-Mircevska (2009), the effort to obtain greater opportunities for profit, the more effective the determination of sources of funds means the more efficient management of funds and the better financial return and business performance (Manso, 2016). Analysis of business financial performance according to (Qing, 2011) is also reflected

in sales growth; sales margin; cost structure; capital requirement. Business financial performance becomes a driving dimension for individuals to have entrepreneurial intention and realize it as a desired business. Business financial performance is the result of the process of business activities that are used to communicate between businesses that are run with those with an interest in data and business activities (Tomer and Bhatt, 2017). Business financial performance according to Bettignies and Brander (2006) shows the effectiveness, efficiency and stability and continuity of business in the future (Cimmission, 2016), so that it knows the financial position of the business, is able to plan better, improve the supervision system, determine profitability, how to work efficient, safe and secure assets and a healthy capital structure.

5.3. Hypothesis Testing 3: Investment Returns have a Significant Positive Effect on Entrepreneurial Intention

The results of testing hypothesis 3 illustrate that the investment return of star hotel employees in Bali is able to accumulate and increase entrepreneurial intention significantly. The results of this study corroborate the findings (Qing, 2011) that the success of an entrepreneur is determined by knowledge of valuation, feasibility and business investment decisions. The same thing is also stated by Pinelli and Schreiber (2012) that business investment assessment is able to strengthen entrepreneurial intention manifested in economic activities to start a business (Cholakova and Clarysse, 2015). The feasibility of business investment according to Sandri (2010) is able to generate maximum profits from business operations and to improve business competitive advantage by considering investment decision making, investment planning, business development, and investment risk taking (Pandher and Parker, 2015). Investment is faced with risks, both in the form of investment value risk and business uncertainty (Theodore and Schult, 2014). Likewise with the statement of Tomer and Bhatt (2017) that the amount of business investment is used for investment capital, fixed assets and working capital. So that it is necessary to evaluate the business feasibility of entrepreneurs through investment valuation methods such as investment returns (Block et al., 2018). Economic activities related to investment according to Winton and Yerramilli (2003) the benefits received in the future.

5.4. Hypothesis Testing 4: Internal Factors have a Positive Effect on Entrepreneurial Intention

The results of testing hypothesis 4 provide an illustration that the internal factors of star hotels employees in Bali can accelerate the strengthening of entrepreneurial intention significantly. The results of this study support the research findings Qing (2011) that competitive advantage and high performance are determined on business capability including internal factors in the form of entrepreneurial resources owned by the business correlated with market orientation and entrepreneurial intention (Turker and Selcuk, 2009; Tolmacheva, 2016). According to Haarhuis (2015) states that the potential of entrepreneurial resources and the capability of competitive advantage business triggers the emergence of strengthening the value of entrepreneurial intention to open new businesses (Khuong and An, 2016). This opinion is supported by Nafie et al. (2015) which states that business

economic resources are managed to create competitiveness so as to strengthen competitive advantage (Radzi et al., 2017). Where according to Ha et al. (2014) that strengthening competitive advantage results in a competitive advantage strategy in the form of business uniqueness compared to competitors and a decision-making style that leads to entrepreneurial decision making (Olowa and Olowa, 2015). In this regard, Mack and Pützschel (2014) added that business competitive advantage is influenced by competitive defendability, namely the ability of businesses to be one step ahead of competitors; and environmental consonance, namely the ability of businesses to adapt to changes in the business environment. Entrepreneurial resources are used as capital to strengthen the ability to change the uncertainty of the business environment into something that is beneficial for businesses (Hayrapetyan, 2016).

5.5 Hypothesis Testing 5: Customer has a Positive Effect on Entrepreneurial Intention

The results of testing hypothesis 5 indicate and illustrate that customer considerations of star hotel employees in Bali can significantly influence and increase entrepreneurial intention. The results of this study are consistent with the findings of Qing (2011) research that customer variables are market orientation performance indicators generated from marketing strategy activities including: market acceptance, market size, product price, market share (Geis, 2015). The findings are reinforced by Filser et al. (2014) that customer-oriented marketing performance can create profitability as well as competitive advantage as a driver of entrepreneurial intention (Lu and Zhang, 2016). The stronger the competitive advantage possessed, the higher the profit gained. So that competitive advantage is the customer value that entrepreneurs can create for customers (Becherer et al., 2012; Chokesikarin, 2014). According to Thoumrunroje and Racela (2013) that sustainable competitive advantage is used to create customer value and build entrepreneurial intention with activities to create innovative products (Zhai et al., 2018).

6. CONCLUSION

The results of testing hypothesis 1 indicate and illustrate that innovation and growth of star hotel employees in Bali can influence and increase entrepreneurial intention not significantly. The results of testing hypothesis 2 show the financial return of star hotel employees in Bali can significantly increase entrepreneurial intention. Testing of hypothesis 3 indicates that the investment return of star hotel employees in Bali significantly affects entrepreneurial intention. Hypothesis 4 evaluation illustrates that the internal factors of star hotel employees in Bali can significantly increase entrepreneurial intention. The results of the hypothesis 5 test show that star hotel employees in Bali influence entrepreneurial intention not significantly.

REFERENCES

- Abu-Aisheh, A.A. (2018), Entrepreneurship and Economic Growth: Case of Kuwait. Kuwait Program at Sciences Po Student Paper Award.
- Ajzen, I. (1991), Theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50, 179-211.
- Bashir, H.A., Akhtar, A. (2016), The role of innovative entrepreneurship

- in economic development: A study of G20 countries. *Management Studies and Economic Systems*, 3(2), 91-100.
- Becherer, R.C., Helms, M.M., McDonald, J.P. (2012), The effect of entrepreneurial marketing on outcome goals in SMEs. *New England Journal of Entrepreneurship*, 15(1), 7-18.
- Berg, N. (2014), Success from satisficing and imitation : Entrepreneurs' location choice and implications of heuristics for local economic development. *Journal of Business Research Success*, 67, 1700-1709.
- Bettignies, J.E., Brander, J.A. (2006), *Financing Entrepreneurship: Bank Finance versus Venture Capital*. Sauder School of Business. British Columbia: University of British Columbia Vancouver.
- Block, J.H., Colombo, M.G., Cumming, D.J., Vismara, S. (2018), New players in entrepreneurial finance and why they are there. *Small Business Economics*, 50, 239-250.
- Braunerhjelm, P. (2010), Entrepreneurship, innovation and economic growth working: Past experiences, current knowledge and policy implications. *Papers Series from Swedish Entrepreneurship Forum*, 2, 79.
- Brodack, F., Sinell, A. (2017), Promoting entrepreneurial commitment: The benefits of interdisciplinarity. *Technology Innovation Management Review*, 7(12), 6-13.
- Bujor, A., Avasilcai, S. (2016), The creative entrepreneur : A framework of analysis. *Procedia-Social and Behavioral Sciences*, 221, 21-28.
- Burton, M.D., Sørensen, J.B., Dobrev, S.D. (2016), A careers perspective on entrepreneurship. *Entrepreneurship: Theory and Practice*, 40(2), 237-247.
- Chen, F., Fu, L., Wang, K., Tsai, S., Su, C.H. (2018), The influence of entrepreneurship and social networks on economic growth from a sustainable innovation perspective. *Sustainability*, 10(2510), 1-19.
- Chokesikarin, V. (2014), Entrepreneurial orientation and customers satisfaction : Evidences nearby khao san road. *International Journal of Economics and Management Engineering*, 8(1), 71-76.
- Cholakova, M., Clarysse, B. (2015), Does the Possibility to Make Equity Investments in Crowdfunding Projects Crowd Out Reward-Based Investments? *Entrepreneurship Theory and Practice*, 39(1), 145-172.
- Chung, D. (2017), The big five social system traits as the source of personality traits, MBTI, social styles, personality disorders, and cultures. *Open Journal of Social Sciences*, 5(9), 269-295.
- Commission, E. (2016), *Financial Instruments Working with Social Entrepreneurship*. European: European Investment Bank. p1-24.
- Dahiya, S., Ray, K. (2011), Staged Investments in Entrepreneurial Financing. *Center for Financial Markets and Policy*. p1-39. Available from: <https://www.ssrn.com/abstract=1940694>. [Last accessed on 2011 Sep 11].
- Dinis, A., do Paco, A., Ferreira, J., Raposo, M., Rodrigues, R.G. (2013), Psychological characteristics and entrepreneurial intentions among secondary students. *Education and Training*, 55(89), 763-780.
- Dogan, N. (2015), The intersection of entrepreneurship and strategic management : Strategic entrepreneurship. *Procedia Social and Behavioral Sciences*, 195, 1288-1294.
- Dumitru, I., Dumitru, I. (2018), Drivers of entrepreneurial intention in romania. *Romanian Journal of Economic Forecasting*, 21(1), 157-166.
- Fairlie, R.W., Fossen, F.M. (2018), Opportunity Versus Necessity Entrepreneurship : Two Components of Business. *Discussion Paper*.
- Filser, M., Eggers, F., Kraus, S., Málovics, É. (2014), The effect of financial resource availability on entrepreneurial orientation, customer orientation and firm performance in an international context : An empirical analysis from Austria and Hungary author (s): Matthias Filser, Fabian Eggers, Sascha Kr. *Journal of East European Management Studies*, 19(1), 7-30.
- Geis, F.M.M. (2015), The Entrepreneur in the Market Orientation: An Exploratory Research on how Entrepreneurial Attributes Influence Market Orientation. 5th IBA Bachelor Thesis Conference.
- Gorica, K., Buhajloti, A. (2016), Entrepreneurial marketing: Evidence from SMEs in Albania. *American Journal of Marketing Research*, 2(2), 46-52.
- Gozukara, I., Colakoglu, N. (2016), Enhancing entrepreneurial intention and innovativeness of university students : The mediating role of entrepreneurial alertness. *International Business Research*, 9(2), 34-45.
- Ha, M., Siriwan, U., Ramabut, C., Thitikalaya, N., Thitikanlaya, T., Kiatnarong, C. (2014), Key factors for successful entrepreneurship in Thailand. *Open Journal of Social Sciences*, 2, 116-121.
- Haarhuis, B.A.S. (2015), Which Internal Organizational Factors Determine the Pro Entrepreneurship Organizational Architecture ? University of Twente, Student Theses.
- Hair, J.F. Jr., Hult, G.T.M., Ringle, C.M., Sarstedt, M. (2017), *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. California: Sage Publication. p390.
- Hakala, H., Kohtamaki, M. (2011), Configurations of entrepreneurial customer and technology orientation. *International Journal of Entrepreneurial Behaviour and Research*, 17(1), 64-81.
- Hansemark, O.C. (1998), The effects of an entrepreneurship programme on need for achievement and locus of control of reinforcement. *International Journal of Economics Business Research*, 4(1), 28-50.
- Hayrapetyan, L. (2016), Factors that Influence Entrepreneurship Activity by Gender in the European Union. *Master Degree in Management, Specialisation in Business Management, Dissertation*. p63.
- Hisrich, R.D., Peters, M.P., Shepherd, D.A. (2017), *Entrepreneurship*. New York: McGraw-Hill Education.
- Huggins, R., Thompson, P. (2015), Entrepreneurship, innovation and regional growth : A network theory. *Small Business Economics*, 41(5), 103-128.
- Jones, R., Rowley, J. (2011), Entrepreneurial marketing in small businesses: A conceptual exploration. *International Small Business Journal*, 29(1), 25-36.
- Kabukcu, E. (2015), Creativity process in innovation oriented entrepreneurship : The case of Vakkko. *Procedia Social and Behavioral Sciences*, 195, 1321-1329.
- Kerr, S.P., Kerr, W.R., Xu, T. (2017), Personality Traits of Entrepreneurs: A Review of Recent Literature. *Working Paper 18-047*, Harvard Business School.
- Kerr, W.R., Nanda, R. (2009), *Financing Constraints and Entrepreneurship*. Vol. 10. Harvard Business School: Working Paper. p1-21.
- Khuong, M.N., An, N.H. (2016), The factors affecting entrepreneurial intention of the students of vietnam national university a mediation analysis of perception toward entrepreneurship. *Journal of Economics, Business and Management*, 4(2), 104-111.
- Kock, N. (2011), Using WarpPLS in e-collaboration studies: Descriptive statistics, settings, and key analysis results. *International Journal of E-Collaboration*, 7(2), 1-18.
- Kock, N. (2018), *WarpPLS User Manual : Version 6. 0*. ScriptWarp Systems. p1-122.
- Krueger, N.F., Reilly, M.D., Carsrud, A.L. (2000), Competing models of entrepreneurial intentions. *Journal of Business Venturing*, 15, 411-432.
- Kusumawijaya, I.K. (2018), Personality traits : The mediating role of self efficacy to improve entrepreneurial intention. *Advances in Social Science, Education and Humanities Research*, 226, 1499-1506.
- Lazonick, W. (2008), *Entrepreneurial Ventures and the Developmental State Lessons from the Advanced Economies*. University of Massachusetts Lowell: Discussion Paper, 1. p1-46.
- Lewis, K.V, Ho, M., Harris, C., Morrison, R. (2016), Becoming an entrepreneur: Opportunities and identity transitions. *International Journal of Gender and Entrepreneurship*, 8(2), 98-116.
- Liñán, F., Chen, Y. (2006), Testing the Entrepreneurial Intention Model on a Two-country Sample. *Documents de Treball*. p1-37.

- Lu, J., Zhang, G. (2016), The effect of customer orientation and entrepreneurial orientation on performance of SMEs: Comparison between Chinese and South Korean SMEs. *Global Journal of Management and Business Research: A Administration and Management*, 16(12), 1-10.
- Lynn, S.N., Metcalf, E., York, J.L. (2017), Distinguishing entrepreneurial approaches to opportunity perception. *International Journal of Entrepreneurial Behavior and Research*, 23(2), 296-316.
- Mack, J., Püttschel, J. (2014), The Influence of Contextual Factors on the Entrepreneurial Process: A Multiple-Case Study of Sustainability-oriented and Commercial Entrepreneurship in Central America. UMEA Universitet, Master's Programme in Management. p144.
- Manso, G. (2016), Experimentation and the Returns to Entrepreneurship. Oxford: Oxford University Press. p1-32.
- Markova, S., Petkovska-Mircevska, T. (2009), Financing options for entrepreneurial ventures. *Economic Interferences*, 11(26), 597-604.
- Mason, M.C., Floreani, J., Miani, S., Beltrame, F. (2015), Understanding the impact of entrepreneurial orientation on smes' performance. The role of the financing structure. *Procedia Economics and Finance*, 23, 1649-1661.
- Miranda, F.J., Chamorro-Mera, A., Rubio, S. (2017), Academic entrepreneurship in Spanish universities: An analysis of the determinants of entrepreneurial intention. *European Research on Management and Business Economics*, 23(2), 113-122.
- Muñoz, R.M., Pablo, J.D.S. De, Peña, I., Salinero, Y. (2016), The effects of technology entrepreneurship on customers and society : A case study of a spanish pharmaceutical distribution company. *Frontier in Psychology*, 7, 1-13.
- Nafie, N.A., Nimran, U., Al Musadieg, M., Suyadi, I. (2015), Organizational internal factors, corporate entrepreneurship, and organizational performance. *European Journal of Business and Management*, 6(36), 83-87.
- Naudé, W. (2013), *Entrepreneurship and Economic Development : Theory, Evidence and Policy*. University of Maastricht: IZA Discussion Paper 7507.
- Olowa, O.W., Olowa, O.A. (2015), Factors affecting entrepreneurship development in agribusiness enterprises in Lagos state, Nigeria. *Global Journal of Management and Business Research: B Economics and Commerce*, 15(7), 25-28.
- Pandher, G., Parker, S.C. (2015), *Entrepreneurial Finance: Equity Division and Expected Investment Returns with Risk-Averse Financiers and Search by Entrepreneurs*. London: Canadian Social Science and Humanities Research Council. p36.
- Pandher, G.S., Parker, S.C. (2015), *Entrepreneurial Finance: Role of Financier Risk Aversion Heterogeneity and Search by Entrepreneurs*. London: Canadian Social Science and Humanities Research Council. p1-36.
- Pinelli, M., Schreiber, U. (2012), Funding the future: Access to Finance for Entrepreneurs in The G20. Summit, Young Entrepreneur, Meeting. p1-52.
- Qing, K. (2011), A Research on the Entrepreneurial Opportunity Identification Based on the AHP-TOPSIS Method. *Proceedings of the 8th International Conference on Innovation and Management*. p650-655.
- Radzi, K.M., Nor, M.N.M., Ali, S.M. (2017), The impact of internal factors on small business success: A case of small enterprises under the felda scheme. *Asian Academy of Management Journal*, 22(1), 27-55.
- Rannikko, H., Autio, E. (2015), The Impact of High-growth Entrepreneurship Policy in Finland. Aalto University, Finland. p32. Available from: <http://www.sciencebusiness.net>.
- Ray, K. (2010), *Staged Investments in Entrepreneurial Financing*. Washington: McDonough School of Business Georgetown University. p1-38.
- Rhoads, K. (2016), Information and the pursuit of entrepreneurial opportunities. *Strategic Management Quarterly*, 4(3), 49-64.
- Robles, L., Zárraga, M. (2015), Key competencies for entrepreneurship. *Procedia Economics and Finance*, 23, 828-832.
- Sandri, D. (2010). Growth and Capital Flows with Risky Entrepreneurship. *IMF Working Paper*, (February), 1-27.
- Scarborough, N.M. (2011), *Essentials of Entrepreneurship and Small Business Management*. New Jersey: Prentice Hall.
- Sevil, N., Koç, A. (2015), Term of strategic entrepreneurship and schumpeter's creative destruction theory. *Procedia Social and Behavioral Sciences*, 207, 720-728.
- Shamudeen, K., Keat, O., Hassan, H. (2017), Entrepreneurial success within the process of opportunity recognition and exploitation: An expansion of entrepreneurial opportunity recognition model. *International Review of Management and Marketing*, 7(1), 107-111.
- Smallbone, D., Welter, F. (2009), *Entrepreneurship and Small Business Development in Post-Socialist Economies*. UK: Warwick Business School.
- Szirmai, A., Naudé, W., Goedhuys, M. (2015), *Entrepreneurship, Innovation, and Economic Development : An Overview*. Available from: <https://www.researchgate.net/publication/265064574>. <https://doi.org/10.1093/acprof>.
- Theodore, S., Schult, W. (2014), Investment in entrepreneurial ability. *The Scandinavian Journal of Economics*, 82(4), 437-448.
- Thoumrungroje, A., Racela, O. (2013), The contingent role of customer orientation and entrepreneurial orientation on product innovation and performance. *Journal of Strategic Marketing*, 21(2), 140-159.
- Tolmacheva, E. (2016), *Factors affecting Corporate Entrepreneurship Intensity In Russian IT Companies*. St. Petersburg University Graduate School of Management Master in Management Factors Program.
- Tomer, N., Bhatt, Y.A. (2017a), *Financing Entrepreneurship Ventures*. Entrepreneurship Management, Dissertation. p1-8.
- Tomer, N., Bhatt, Y.A. (2017b), *Financing Entrepreneurship Ventures*. Entrepreneurship Management, Dissertation.
- Tran, A.T.P., Von Korfflesch, H. (2016), A conceptual model of social entrepreneurial intention based on the social cognitive career theory. *Asia Pacific Journal of Innovation and Entrepreneurship*, 10(1), 17-38.
- Turker, D., Selcuk, S.S. (2009), Which factors affect entrepreneurial intention of university students ? *Journal of European Industrial Training*, 33(2), 142-159.
- Vuorio, A.M., Puumalainen, K., Fellnhofer, K. (2017), Drivers of entrepreneurial intentions in sustainable entrepreneurship. *International Journal of Entrepreneurial Behavior and Research*, 24, 359-381.
- Windapo, A. (2018), Entrepreneurial factors affecting the sustainable growth and success of a South African construction company. *Sustainability*, 10(1276), 2-11.
- Winton, A., Yerramilli, V. (2003), *A Model of Entrepreneurial Finance*. Carlson School of Management. Pennsylvania: University of Minnesota. p1-40.
- Woo, H.R. (2018), Personality traits and intrapreneurship: The mediating effect of career adaptability. *Career Development International*, 23, 145-162.
- Zhai, Y., Sun, W., Tsai, S., Wang, Z., Zhao, Y., Chen, Q. (2018), An empirical study on entrepreneurial orientation, absorptive capacity, and smes' innovation performance : A sustainable perspective. *Sustainability*, 10, 314.