

THE INFLUENCE OF ENTREPRENEURIAL KNOWLEDGE AND FINANCIAL MANAGEMENT ON INTEREST IN STARTING A BUSINESS IN STUDENTS OF FEBI IAIN KERINCI

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ABSTRACT

This study aims to determine the effect of Entrepreneurial Knowledge of Entrepreneurship and Financial Management, simultaneously or partially, on the interest in starting a business for students of the Islamic Economics and Business Faculty IAIN Kerinci. This type of research is descriptive quantitative research. The population in this study were students of the Faculty of Economics and Islamic Business IAIN Kerinci majoring in Islamic Banking and Islamic Economics class of 2018 and 2019. The sample was determined using a cluster random sampling technique so that the respondents of this study were 82 students. Data collection techniques using a questionnaire. The data analysis technique in this study uses multiple linear regression analysis with the help of the program SPSS version 23. The results showed that both partially and simultaneously entrepreneurial knowledge of entrepreneurship and financial management significantly affected the interest in starting a business for students of the Faculty of Economics and Islamic Business IAIN Kerinci.

Keywords: College Student; Financial Management, Entrepreneurial Knowledge

INTRODUCTION

In modern times, humans are required to work and try their best to bring material or money, commonly called income, which can be an exchange value to meet all the needs of life. To have income, it is necessary to have a business activity for the individual either as an employee who receives a salary from where he works, or as someone who has products or services that can bring income to himself or can be called an entrepreneur. The trend we can see is that more people choose a profession as an employee to earn income than an entrepreneur. Because of the tendency of people to prefer to earn income from the profession as employees or work with others, the person needs a place that can accommodate to work to earn income. As for those who choose entrepreneurship to earn income, they do not need to work with others. With so many people choosing to work with others when existing job vacancies cannot accommodate many job seekers, it will cause problems. The problem that arises is the increase in the number of unemployed in a region and even in a country.

Until now, entrepreneurship and financial management have been developed through education, which is considered one of the essential factors in growing and developing entrepreneurial passion, spirit and behaviour and also fostering knowledge about how to manage finances or manage personal finances so that they can be used well among the younger generation such as students. In addition, entrepreneurship and financial management have an essential meaning in the joints of life and development of a nation. Entrepreneurial knowledge and financial management are essential in building the country, and they are not just tools to make improvements and changes in the quality of life of oneself and society. However, it is also proven that entrepreneurship can play a significant role in realising the quality of society and the nation by instilling the spirit of entrepreneurship (Azwar, 2013: 13).

Entrepreneurship and financial management courses are essential in fostering entrepreneurial interest, providing practical experience to students from large, medium and small-scale business actors. Knowledge of entrepreneurship and financial management, especially for students, is expected to grow a business spirit and be able to manage finances

so that they can become entrepreneurs. Motivational attitudes, entrepreneurial knowledge, and financial management are needed for students who want to start entrepreneurship to identify business opportunities and then utilise them to create new job opportunities. Students' interests and knowledge of entrepreneurship and financial management are expected to shape their tendency to open new ventures in the future.

In this study, the grand theory used is the theory of Hikmayanti Huwaida, Sri Imelda and Rofi'i (2019) titled "The Influence of Management and Entrepreneurship Learning Achievements on Student Interest in Entrepreneurship". His research explains the influence of entrepreneurship and financial management on students' entrepreneurial interests. Entrepreneurship is a person's ability to produce something new through creative thinking and innovative acting to create ideas or opportunities that can be put to good use. In addition, entrepreneurial knowledge is everything known about the form of information that is processed in the cognitive realm in the form of memory and understanding of how to try to cause the courage to take risks rationally and logically in handling a business. (Primary, *et. al.*, 2020:32).

Interest in starting a business is a desire, interest and willingness of individuals to work hard to meet a need for life without fear of risks. Interest in starting a business comes from within a person to create a business field. Interest in entrepreneurship arises because it is preceded by knowledge and information about entrepreneurship, which is then continued in a participating activity to gain experience where finally, the desire to carry out entrepreneurial activities arises. Hakim (2018) explained that financial management is all activities related to obtaining funding and managing assets with several objectives. Financial management can also be defined as the art and science of managing money, which includes the processes, institutions or institutions, markets, and instruments involved with transferring money among individuals, businesses, and governments. From this understanding, we can understand that financial management activities are related to how to obtain funds, manage these funds so that goals are achieved, and manage assets owned efficiently and effectively at the individual, business, and government levels.

Student success in studying entrepreneurship and financial management is when students can open business opportunities for themselves and dare to take risks to open a business on various occasions. So, to become an entrepreneur, an entrepreneurial interest is needed, which is one of the capital that is not in the form of material. (Fahmi & Amanda, 2017:37)

Kerinci State Islamic Institute is the only university in Kerinci Regency with a vision to become a superior, integrative and characterful Islamic university in 2024. And who has a mission to organise education with Islamic character, quality, integrity, and global insight based on local wisdom, benefit the community and develop Islamic values and noble culture in community empowerment.

Kerinci State Islamic Institute has several faculties, one of which is the Faculty of Islamic Economics and Business, which is a faculty that studies various economics, one of which is the entrepreneurship course. In this course, students are taught to become entrepreneurs, which is practised directly by a group of students asked to make a product, either in the form of food or other products that will have a purchase value at that time. Students are trained to think creatively and innovatively, and in the Financial Management course, students are taught how to manage personal finances. So, knowledge of entrepreneurship and financial management is very related. Namely, in studying financial management, science teaches how a person or student can manage and allocate funds so that later they can be used properly. so that's where if someone has financial management knowledge and entrepreneurial knowledge, that teaches students to be able to think creatively

and also innovatively, then it is huge. The possibility is that students can have an interest in starting a high business field by knowing entrepreneurship and financial management.

Job opportunities for Islamic banking graduates not only focus on banks or economic institutions but can also plunge into the field of entrepreneurship armed with knowledge about entrepreneurship and financial management that has been obtained in lectures, making it easier for Islamic banking graduates to do entrepreneurship through knowledge of financial management and also making financial statements that are very helpful in improving the success of an undertaking. According to Nastiti (2010), interest in starting a business is influenced by the need for self-achievement and one's readiness.

LITERATURE REVIEW

Interest in Starting a Business

Interest in starting a business is a psychological symptom to focus attention and do something about the entrepreneur with a feeling of pleasure because it benefits him. Interest in becoming an entrepreneur is a person's willingness to work independently (*self-employed*) or run his own business. Many psychological factors shape society's negative nature so that an entrepreneur is less interested, including aggressive, competitive, selfish, dishonest, unstable sources of income, and less honourable. The physiological foundation of parents does not want their children to enter the business field, causing Indonesian people to be unmotivated in the business world. But nowadays, the opinion is changing. Young people are becoming interested in business professions that promise quite a bright future. This is driven by the conditions of intense competition in the world of work so that it is required to be able to create new job opportunities. The conclusion is that someone interested in starting a business has confidence, can take risks, is creative and innovative, disciplined and hardworking, is oriented to the future, has curiosity, and is honest and independent. (Maharani & Sari, 2018:36)

Entrepreneurial Knowledge

Knowledge is the ability possessed by humans to capture, remember, repeat, and produce information so that the brain will work and store the information in memory (Hendrawan & Sirine, 2017: 298). Entrepreneurship is a person's willingness and ability to face various risks by taking action to create and do new things through the use of various resources with the aim of providing the best service to all stakeholders and getting benefits as a consequence. And cashmere concluded that entrepreneurship is a person's ability in terms of realizing business activities. Based on the definition of knowledge and the definition of entrepreneurship, it can be understood that entrepreneurial knowledge is an intellectual obtained and owned by a person who innovates and engages in the field of entrepreneurship. This statement is reinforced by Mustofa's statement that entrepreneurial knowledge is a person's effort to think creatively and act innovatively, so that it can bring up ideas or opportunities and can be used properly (Hendrawan & Sirine, 2017: 299).

Financial Management

Financial management is all activities related to obtaining funding and processing assets with several comprehensive objectives. Meanwhile, according to Brigham, financial management is the art *and* science of managing money which includes processes, institutions / institutions, markets, and instruments involved with the transfer of money among individuals, businesses, governments. And the definition can be understood that financial management activities are related to how to get funds, as well as how to manage assets owned efficiently and effectively both at the individual, business, and government levels.

RESEARCH METHODS

The type of research used is Descriptive Quantitative research. Because the data obtained in this study is in the form of numbers as a tool to analyze the description of what you want to research. The method used in this study is the Survey method. (Yusuf 2017: 48) said the survey method is a way to collect information from a large number of individuals using questionnaires.

The population in this study is active students of IAIN Kerinci Faculty of Economics and Islamic Business class of 2018 and 2019 Department of Sharia Banking and Department of Sharia Economics totaling 431 active students.

The sample in this study amounted to 82 respondents with the technique or sampling used in this study is *Cluster Random Sampling*. *Cluster random sampling* is randomizing groups, not individual subjects.

RESULTS AND DISCUSSION

Multiple Linear Regression Analysis Results

Table 1.
Multiple Linear Regression

Variable	Constant	Koef.regression	Sig
X1	10,713	0,325	0,008
X2		0,463	0,000

Source: SPSS Processing Results

The constant value is 10.713. Where the value is positively signed, meaning that if it is assumed that knowledge of entrepreneurship and financial management is considered constant, then the interest in starting a business Students of the Faculty of Economics and Business Islaam IAIN Kerinci is still in the good category. The value of the regression coefficient of the entrepreneurial knowledge variable is 0.325. This means that entrepreneurial knowledge has a positive effect on interest in starting a business. If students' entrepreneurial knowledge (X1) increases, it will increase students' interest in starting a business (Y). The value of the regression coefficient of the financial management variable is 0.463. This means that financial management has a positive effect on interest in starting a business. If students' financial management knowledge (X2) is improved, the interest in starting a business (Y) will decrease.

Hypothesis Test Results

Results of Partial Hypothesis Test (Test t)

Variable	tcalculate	><	tTable	Sig.	Status Ha
X1	4,499	>	1,664	0,000	Accepted
X2	6,771	>	1,664	0,000	Accepted

Source: SPSS Processing Results

The Entrepreneurship Knowledge variable shows the calculated t test $>$ t table or 4.499 $>$ 1.665; the significant value produced is $0.000 < 0.05$. thus H_0 is accepted and H_1 is rejected. The Financial Management variable shows the calculated t value $>$ ttable or 6.771 $>$ 1.665 and the significant value produced is $0.000 < 0.05$ thus H_0 is accepted and H_2 is rejected.

Results of Simultaneous Hypothesis Test (Test F)

Entrepreneurial knowledge and financial management knowledge together (silmultan) affect the interest in starting a business in FEBI IAIN Kerinci students in the class of 2018 and class of 2019. With a significant value of F test of 0.000. The value of F_{calculate} is then compared with F_{table}. F_{calculate} 29.896 > F_{table} 3.10 and significant 0.000 < 0.05, then the resulting regression model is appropriate. The value of the coefficient of determination (R²) is 0.434. This means that 43.4% of the dependent variables in the form of interest in starting a business can be influenced by independent variables, namely entrepreneurial knowledge and financial management, while the remaining 56.6% is explained by other factors that were not included in this study.

The Influence of Entrepreneurial Knowledge on the Interest in Starting a Business Students of the Faculty of Economics and Islamic Business IAIN Kerinci

Entrepreneurship is a discipline that studies values, about abilities, and also studies how a person behaves in facing life challenges and how to obtain opportunities with various risks that may be faced. A person who has obtained training, seminars, courses on entrepreneurship will be interested in becoming an entrepreneur. (Anggraeni & Harnanik, 2015:46)

Based on the results of the t test, it is known that $t_{calculate} > t_{table}$ or $4.499 > 1.664$ and the resulting significance value is $0.000 < 0.05$. This shows that H_{a1} is accepted, which means that the variable of entrepreneurial knowledge affects the interest in starting a business (Y).

Similar results were reported by Anggraeni & Harnanik (2015), namely that there is a positive influence between entrepreneurial knowledge on interest in starting a business. Entrepreneurship learning aims to shape a person to have entrepreneurial abilities. There is a strong influence with entrepreneurial knowledge obtained from entrepreneurship learning can be in the form of material understanding of students' entrepreneurial interests. Students will have an interest in starting a business if a student knows correctly about all the characteristics in the business world.

The findings of the researchers show that entrepreneurial knowledge has a positive effect on the interest in starting a business for students of the Faculty of Economics and Islamic Business IAIN Kerinci. As evidenced by the answers to the questionnaire where respondents are in the choice of answers agree and strongly agree with the statements submitted where students apply their entrepreneurial knowledge well so that it will affect the interest in starting a business in students. In terms of starting a business, how mastery about entrepreneurship is an important factor, most of them think that starting a business is an important activity to do for the future. For students who are experienced in the business world, they can easily start a business. The results showed that most FEBI IAIN Kerinci students have dared to take risks for entrepreneurship, such as students who sell food and clothing through online buying and selling.

According to Mustofa (2014), that interest in entrepreneurship arises because of knowledge and information about entrepreneurship, student entrepreneurial interest is actually quite high but there are several factors that make the loss of intention and interest in entrepreneurship such as, lack of capital, fear of failure and loss.

The Influence of Financial Management on the Interest in Starting a Business Students of the Faculty of Economics and Islamic Business IAIN Kerinci

Financial management can greatly trigger entrepreneurial intentions because of savings and investment factors. When someone has financial management, then someone will be able to manage personal finances correctly which is indicated in the regularity of saving.

Therefore, it will be very easy for someone to start a business because of the business capital. The better it is to avoid debt, the better it will be to improve the ability to process money (personal finance) so that business capital accumulation becomes easier. With capital accumulation of business capital will encourage one's intention to accumulate money through entrepreneurial activities. (Prमितasari, 2017. Thing. 345).

Based on the results of the t test that has been done, it is known that $t_{\text{calculate}} > t_{\text{table}}$ 6.771 > 1.664 and the resulting significance value is $0.000 < 0.05$. This indicates that H_{a2} is accepted, which means that the financial management variable (X_2) has an effect on the interest in starting a business (Y).

Similar results were also reported by Prमितasari (2017), namely the researcher obtained a value on the financial management knowledge variable of $t_{\text{count}} (3.614) > t_{\text{table}} (1.98)$ with a significance value of 0.05, then H_0 was rejected and H_a was accepted. And this shows that there is a significant influence between financial management knowledge (X_1) and interest in starting a business (Y).

The findings of the researchers show that financial management has a positive effect on the interest in starting a business for FEBI IAIN Kerinci students. Because financial management and interest in starting a business have a unidirectional relationship, the higher a person's ability to manage his personal finances, the higher the interest in starting a business. And vice versa, the lower a person's ability to manage his personal finances, the lower a person's interest in starting a business.

Kholilah and Iramani (2013), stated that financial management knowledge as a person's mastery of various things about the financial world financial tools and financial skills. Individuals with adequate financial knowledge will have better financial management behaviors, such as bookkeeping expenses made every month, and have a reserve of funds for emergencies.

The Influence of Entrepreneurial Knowledge and Financial Management on the Interest in Starting a Business Students of the Faculty of Economics and Islamic Business IAIN Kerinci

The influence of entrepreneurial knowledge and financial management is very influential on the interest in starting a business in someone, especially here, namely students, with entrepreneurial knowledge and also financial management knowledge will cause a sense of desire to enter the business world. Where entrepreneurship teaches how students start a business and also discusses how to deal with existing competition, especially in the business world, and financial management teaches about how a person or student can manage personal finances, by prioritizing saving some of the pocket money from that can get business capital. Entrepreneurial knowledge and financial management knowledge together (silmultan) affect the interest in starting a business in FEBI IAIN Kerinci students in the class of 2018 and class of 2019. With a significant value of F test of 0.000. The calculated F value is further compared with the F_{table} . Obtained $F_{\text{count}} 29.896 > F_{\text{table}} 3.10$ and significant by $0.000 < 0.05$, then the resulting regression model is appropriate.

The findings of the researchers obtained a hypothesis stating that the variables of entrepreneurial knowledge and financial management simultaneously affect the interest in starting a business for students of the Faculty of Economics and Islamic Business IAIN Kerinci. Which students use and apply well the entrepreneurial knowledge they already have so that it will affect the interest in starting a business in students. The higher the knowledge of students about entrepreneurship, the higher the interest in starting a business. Likewise, financial management, the higher a person's ability to manage his personal finances, the more frugal a person will behave which will also reduce his interest in saving which can then be accumulated into business capital so that it will increase one's interest in starting a business.

CONCLUSION

Entrepreneurial Knowledge influences the Interest in Starting a Business Students of the Faculty of Economics and Islamic Business IAIN Kerinci. Financial Management affects the interest in Starting a Business Students of the Faculty of Economics and Islamic Business IAIN Kerinci. Knowledge of Entrepreneurship and Financial Management together influence the Interest in Starting a Business for Students of the Faculty of Economics and Islamic Business IAIN Kerinci. The results of the R^2 test are known to have an R Square value of 0.434, this means that the influence of entrepreneurial knowledge (X1) and financial management (X2) on interest in starting a business (Y) simultaneously is 43.4% of the dependent variable in the form of interest in starting a business can be influenced by independent variables, namely entrepreneurial knowledge and financial management, while the remaining 56.6% is explained by other factors that are not included in this study.

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