

# Influence of Adversity Quotient and Entrepreneurial Self Efficacy to the Entrepreneurial Intention on Management and Members of Cooperative

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## Abstract

The purpose of this research is to know the influence of positive and significant between adversity quotient to entrepreneurial intention, to know the influence of positive and significant between entrepreneurial self-efficacy to the entrepreneurial intention, and to know the influence of positive and significant between adversity quotient and entrepreneurial self-efficacy to the entrepreneurial intention. This research uses quantitative research method. Data collection techniques in this study using questionnaires. The respondents used in this research are 120 people consist of staff and members of female's cooperative. The result of this research there is positive and significant influence between adversity quotient to entrepreneurial intention on the staff and member of female's cooperative and there is positive and significant influence between entrepreneurial self-efficacy to the entrepreneurial intention on the staff and members of female's cooperative.

**Keywords:** Adversity Quotient, Entrepreneurial Self Efficacy, Entrepreneurial Intention

## 1. Introduction

Entrepreneurship is one of the supporting things that determine the advancement of a national economy. Lately, the entrepreneurial issue is very influential for researchers and governments around the world due to increasing global competition, rapid technological advancement, emerging market economies, as a way of facing global challenges, it can also be viewed from the success of female's cooperatives from the concept of trust (trust) from members to the management and vice versa.

In the history of economic development in Indonesia, cooperatives have a significant role. From several case studies of cooperatives, the existence of cooperatives is not only beneficial to cooperative members but also has a role in employment and provides a better level of prosperity for the communities where the cooperative is located. The existence and development of cooperatives, especially cooperatives managed by women in Indonesia enough to attract the attention of government and the builder because the cooperatives show good performance development. It can be seen from the side of the organization and business.

In this case, there is a principle of reciprocal relation on the relationship of mutual need that actually stretches from the most unclear measurements to the obvious measurements, ranging from direct to indirect. Members will believe in female's cooperatives if the female's cooperative is able to meet the expectations of its members 'needs through a mechanism that meets the principles of cooperative agreement, in other words, that the cooperative will be trusted by its members if its members' expectations can be met without distinguishing members from each other, On the contrary the cooperative will survive and develop when its members fulfill their obligations. The success of female's cooperatives is illustrated by the progress achieved by the management of its cooperatives. The advantages are realized in tenacity, honesty and accuracy in dealing with the various dynamics of the problems that occur in the efforts of management and members of female's cooperatives.

Female's Cooperative as one of economic activity container at village level has a strategic position in moving the local economy, especially in east java. This is proven because female's cooperatives are able to empower women, grow new micro and small entrepreneurs, prevent urbanization and create prosperity and security. more than 8,506 female cooperative units that forming by government provincial of East Java with a stimulant capital of 25 million every village in 2009 have been able to raise the spirit of cooperative in village level. The economy in East Java is one of them driven from the female cooperative sector and its SMEs.

As a micro-finance institution in the village, female's cooperatives play a role in improving the access of the community to capital quickly, cheaply and without collateral, the diligence of the management and members in cooperative affairs have a positive impact on the empowerment of small micro business actors who become members. One of them is Female's Cooperative "Anggrek" Pasirharjo Talun District of Blitar. In the environment female's cooperative, surely must arise a problem or obstacles in the business undertaken by the

management and members. Certainly, in solving problems or obstacles that arise not all are able to do it. There are members who can easily overcome these problems but also some are less able to do so. This is commonly called adversity quotient. Adversity quotient means it can also be called endurance when faced problems. Stein & Book (2004) explains that endurance is the ability to deal with unpleasant events and stressful situations without becoming cluttered, by actively and passively overcoming adversity. Resilience is related to the ability to remain calm and patient, as well as the ability to face difficulties with a cold head, without getting carried away by emotions.

In this study the researcher will examine how the ability and readiness of the management and members of the female's cooperative "Anggrek" Pasirharjo Talun village Blitar district in the face of trouble conditions, difficult situations in the management and members of a challenging cooperative with active and passive calm attitude that will consistently without avoiding or surrendering to the sense of helplessness and despair, the positive influence of females' cooperative to the environment and its members through the impact of their success is expected to be learned learning that has been achieved female's cooperatives. Learning is useful for governments as policymakers, and others who are directly and indirectly involved in encouraging the future development of female's cooperatives. In the context of poverty and improving family welfare, the role of women becomes very important. Because cooperatives can be one of the most strategic containers to improve the family welfare, in addition, cooperative activities can also be used as a medium for self-actualization of women. Based on the background that has been described, the formulation of the problem in this study are as follows. (1) Adversity quotient has a positive and significant influence on entrepreneurial intention. (2) Entrepreneurial self-efficacy has a positive and significant influence on entrepreneurial intention.

## 2. Literature Review

### 2.1 Adversity Quotient

Adversity quotient is the ability to manage suffering or difficulty into an opportunity. Adversity quotient provides information how well individuals can withstand adversity and overcome it, whether a person can exceed expectations or even fail. Adversity quotient can predict how a person behaves in difficult situations. For this reason, Adversity quotient can predict someone's intention in trying. Stolz (2000) defines adversity quotient as hardwired pattern of response to all and magnitude of adversity, from major tragedies to minor annoyances. Surekha (2001) describes adversity quotient as the ability to think, manage, and direct the actions that shape a pattern of cognitive and behavioural response patterns on the stimulus of events in life that are challenges or difficulties. Adversity quotient is very important for individuals to learn because adversity quotient is based on three approaches, cognitive psychology, psychoneuroimmunology and neurophysiology (Stoltz, 2000) therefore measuring the intentions of automated entrepreneurship need to combine insights from psychological approaches (Ferreira et al, 2012). Adversity quotient can determine who will survive the adversity and successfully surpass expectations of performance and potential (Stoltz, 2000) therefore adversity quotient can help individuals strengthen their ability and perseverance in facing challenges while adhering to principles and dreams upcoming. To measure one's intelligence, in general, using intelligence quotient (IQ). But there are individuals who have high IQ but have not always succeeded. For that there needs to be something more to improve one's success, then develop emotional quotient (EQ) to assess how well a person controls his emotions, empathize with others and measure the effectiveness of interaction with other people. Adversity quotient is not part of both because adversity quotient can answer the question why do some individuals survive and continue to struggle in difficult situations while other individuals with high IQ and good EQ fail and give up? (Phoolka & Kaur, 2012) the adversity quotient can be useful for predicting the performance, motivation, empowerment, creativity, learning, perseverance, endurance and attitude of a person in the face of change. Adversity quotient may not guarantee a person's success, but adversity quotient can provide knowledge of how to achieve success.

Adversity quotient has four CORE dimensions, including Control, Origin and Ownership, Reach and endurance (Stoltz, 2000). Control is the level of individual control of the influence that comes from themselves or from the outside so not easily affected and optimistic about the decision was taken. Origin and ownership is an acknowledgement of the difficulties faced by individuals. This explains that the difficulties are derived from the individual themselves so that the developing individual will admit mistakes rather than overly wrongdoing. Reach is a factor to the extent to which difficulties individuals face in influencing their lives. Endurance is the length of time the individual to survive the problem. "Climber" is the most suitable individual to be an entrepreneur. Besides having the character that is needed to become a successful entrepreneur "climber" has the (CORE) dimension of high adversity quotient from three components. An entrepreneur is a person who is able to identify opportunities in the midst of adversity (Zaratiegui & Rabade, 2005). It is clear that the level of adversity quotient of a person will determine the intention of entrepreneurship, because entrepreneurs who have high adversity quotient level have the ability to take risks, try to control the situation, not give up when times are difficult, have persistence and confidence to continue the business (Markman, 2000).

## 2.2 Entrepreneurial Self Efficacy

Self-efficacy is the first concept based on Bandura studies based on cognitive social theory. Bandura (1997) defines self-efficacy as a potential that exists in cognitive factors so that a large influence on attitudes and behaviour of a person. Self-efficacy involves assessing one's ability to perform activities rather than personal qualities such as physical characteristics or psychological characteristics (Zimmerman, 2009). Self-efficacy refers to perceptions of an individual's ability to organize and implement actions to display certain skills (Bandura, 1977). In principle, self-efficacy refers to a person's feelings that he is capable and competent to perform a task successfully as expected (Widyarini, 2009). In line with Cromy (2000) opinion, self-efficacy affects a person's belief about whether or not a particular goal can be achieved. Can be concluded, Self-efficacy is an individual's beliefs or beliefs about his ability to organize, perform tasks, achieve goals, produce things, and implement actions to display certain skills.

The ability or self-efficacy for entrepreneurship is also called entrepreneurial self-efficacy (ESE), ESE can be defined as the strength of one's belief that they are able to successfully perform the role and task of an entrepreneur (Prabhu et al 2012). Hisrich et al (2008) state that ESE is related to the incorporation of a person is behaving in a way to succeed. So that people who have high confidence in doing something tend to act well in entrepreneurship. Markman et al (2002) found that people who have high self-efficacy are more desirable to exploit their ideas by starting and running new ventures. While people who have low self-efficacy prefer to work on others. Consistent with the opinion of Dempsey & Jennings (2014). Someone who thinks they have entrepreneurial ability tends to have an intention to engage in business creation activities. It is important to grow and develop ESE to members of "Anggrek" women cooperative in Pasirharjo village, Talun District, Blitar Regency, East Java Province, to have confidence and ability that they are able to work independently and survive.

## 2.3 Entrepreneurial Intention

Ajzen (2005) says that the intention is an indication of a person's readiness to perform certain behaviours, and this is regarded as a direct antecedent of behaviour. The goal is based on attitudes toward behaviour, subjective norms, and conscious behaviour control. The understanding entrepreneurial intention in daily life can be understood as a measure or level, in the English dictionary, the intensity is termed with intensity, defined by greatness (great, strong) (Ecbols & Shadily, 2009). (Apllo & Ancok, 2003) defines intensity as a term related to "energy expenditure" or the number of activities performed by a person within a certain time. Intensity can be measured based on the extent to which the depth of information that can be understood by respondents (Feriyani & Fitri, 2011). Intensity is the ability or strength of persistence or not. While in the dictionary of psychology, Intensity is the strength of behaviour or experience and attitudes are maintained (Anshari, 1996: 297) in this case the intensity in the intention is a person's ability or persistence someone in applying the value of entrepreneurship in daily life.

## 3. Method

In this study, the research method used is quantitative research to test theories by examining the influence of variables (Cresswel, 2013) with the descriptive and explanative approach. Descriptive approach is used to explain the condition of each research variable, including adversity quotient (X1), entrepreneurial self-efficacy (X2), and entrepreneurial intention (Y). The explanative study explains the causal influence between the variables through hypothesis testing (Hasan, 2009). The direct influence of adversity quotient (X1) and entrepreneurial self-efficacy (X2) to entrepreneurial intention (Y). Hypothesis testing in this study using multiple regression analysis.

## 4. Result

### 4.1 Influence of Adversity Quotient (X1) to the Entrepreneurial Intention (Y)

Based on the result of analysis it is known that tcount of 27.332 with ttable 1.981 with significance is 0.000 with significance level 0.05 (5%). This means that  $tcount > ttable$  ( $27.332 > 1.981$ ). While the significance of 0.000  $<$ at the level of significance 0.05. So that  $H_a$  reads that there is a significant influence between Adversity Quotient to Entrepreneurial Intention on the management and female's cooperative members accepted. While  $H_0$  which reads that there is no significant influence between Adversity Quotient to Entrepreneurial Intention on the management and female's cooperative members is rejected.

### 4.2 Influence of Entrepreneurial Self Efficacy (X2) to the Entrepreneurial Intention (Y)

Based on the analysis it is known that the tcount is 28.678 with ttable 1.981 with significance is 0.000 with significance level 0.05 (5%). It means that  $tcount > ttable$  ( $28.678 > 1.981$ ). While the significance of 0.000  $<$ from the level of significance 0.05. So that,  $H_a$  that there is a significant influence on Entrepreneurial Self Efficacy to Entrepreneurial Intention on the management and female's cooperative members are accepted. While  $H_0$  which reads that there is no significant influence on Entrepreneurial Self Efficacy to Entrepreneurial

Intention on the management and female's cooperative members rejected.

### **4.3 Influence of Adversity Quotient (X1) and Entrepreneurial Self Efficacy (X2), to the Entrepreneurial Intention (Y)**

Based on the analysis it is known that the  $F_{count}$  of 5.131 with  $F_{table}$  3.07 or significance is 0.000 with a significance level of 0.05 (5%). It means that  $F_{count} > F_{table}$  ( $5.131 > 3.07$ ). While the significance of 0.000 < at the level of significance 0.05. Hence  $H_a$  reads that there is a significant influence on adversity quotient and entrepreneurial self-efficacy towards entrepreneurial intention on the management and female's cooperative members is accepted. While  $H_0$  which reads no significant influence between adversity quotient and entrepreneurial self-efficacy to the entrepreneurial intention of the management and female's cooperative members is rejected

## **5. Discussion**

### **5.1 Relationship Adversity Quotient to Entrepreneurial Intention**

The result of hypothesis testing through data processing assisted software SPSS 19 found a positive and significant relationship between adversity quotients to entrepreneurial intention.

Adversity quotient provides information on how well a person can withstand adversity and how to overcome it. This information can give an answer "whether someone can exceed expectations or even fail with the difficulties encountered?" Because AQ is the ability to manage suffering or difficulty into an opportunity (Stoltz, 2000).

This empirical result in line with a study conducted with Langvardt (2007) which states that a person with a high level of resilience will be more committed to change as a form of response in the face of adversity. Particularly for members and management of "Anggrek" female's cooperative Pasirharjo Talun village blitar district. It also influences the entrepreneurial intention, the higher of AQ will make greater the entrepreneurial intention, and vice versa. This empirical result is consistent with the pure findings Mangundjaya (2009) which also state that there is an AQ influence on entrepreneurial intention. Studies conducted by Mangundjaya (2009) are also in line with this study which found that AQ has a positive and significant correlation to entrepreneurial intention in students. Several other findings also support this research hypothesis (Markman and Baron, 2002; Gurol and Atsan 2006; Fitzsimmons and Douglas, 2011).

Based on the average value of AQ variable items, the control dimension has the lowest average among the others. While the reach dimension has the highest average, then followed by the dimension of origin and ownership, then endurance. The CORE dimension is a dimension associated with each other, so that if one dimension is low then another dimension will also be affected. But so far from the results, it has been obtained that all the averages of the studied dimensions have a fairly high average.

In conclusion, the management and members of "Anggrek" Female's Cooperative Pasirharjo talun village blitar district that has a high adversity quotient more likely to succeed in achieving its goals in entrepreneurship due to high intentions in entrepreneurship.

### **5.2 The Relationships of Entrepreneurial Self-efficacy to the Entrepreneurial Intention**

Entrepreneurial self-efficacy has a positive and significant relationship to entrepreneurial intention. Entrepreneurial self-efficacy is a subjective view of ideas or thoughts in itself rather than objective competence. ESE in a person will affect the view of a thing, which, in an objective view, it is impossible but subjectively precisely those things are likely to happen. In other words, someone who has a high ESE will also have a high intention entrepreneur as well. The findings of this hypothesis are also in line with some of the findings of pre-existing research (Chen et al., 1998; Hmieleski and Corbett, 2006; Wilson et al., 2007; Barbosa et al., 2007; Mangundjaya, 2009).

Entrepreneurial self-efficacy is a belief in the ability of self to do tasks, achieve goals, produce something, and implement actions in entrepreneurship. ESE refers to a person's feelings that he/she is competent in playing the role of duty as an entrepreneur (Phrabu et al., 2012) and is capable of achieving the expected success (Cromie, 2000; Widyarini, 2009). The underlying thing is that as individuals process information, entrepreneurs develop a sense of how they are able to engage in entrepreneurial self-efficacy and the extent to which their involvement can be known from entrepreneurial intention (Barbosa, 2007).

Some of these statements are supported by an average of ESE and entrepreneurial intention variables that are equally good. Based on the average value of entrepreneurial self-efficacy variable items, the ability of think creatively has a higher mean compared to the identify new opportunity dimension. But so far from the results, it has been obtained that all the averages of the studied dimensions have a fairly high average.

## **6. Conclusion**

Based on the result of the analysis, there was a significant influence between Adversity Quotient on Entrepreneurial Intention on the management and member of female's cooperative, there was a significant

influence on entrepreneurial self-efficacy to the Entrepreneurial Intention on the management and member of female's cooperative, and there was significant influence between entrepreneurial self-efficacy and Entrepreneurial Intention to Entrepreneurial Intention on the management and member of female's cooperative.

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