



The Mediating Role of Entrepreneurial Self-efficacy in Developing Student Entrepreneurial Intention: The Role of Resources and Network

Andrew Lioe¹, Prio Utomo²(✉), and Florentina Kurniasari²

¹ Department of Management, Universitas Multimedia Nusantara, Tangerang, Indonesia
andrew.lioe@student.umn.ac.id

² Department of Technology Management, Universitas Multimedia Nusantara, Tangerang, Indonesia
{prio.utomo, florentina}@umn.ac.id

Abstract. The purpose of this study is to determine the mediating role of self-efficacy on relation between entrepreneurial resources and network with entrepreneurial intention. This study is quantitative cross-sectional research where the data collected from 150 well-known private university students in Tangerang Indonesia that have entrepreneurial program using online survey. The analysis was conducted using Partial Least Square-Structural Equation Model to test all of the hypothesis. Unlike other entrepreneurial intention studies that focus on student internal factors such as behavioral, normative and control belief, this study focuses on entrepreneurial network and resources that effecting entrepreneurial intention through self-efficacy. The results of this study shows that entrepreneurial network and resources have a positive and significant effect to Entrepreneurial Intention mediated by the entrepreneurial self-efficacy. The investigation unfold that the entrepreneurial network and resources becomes an important aspect that effecting self-efficacy with implication that the student want to become an entrepreneur. Therefore, it is recommended that all stakeholders, including parents, friends, and university must collaborate and facilitate and provide a favorable entrepreneurial environment to be established.

Keywords: Entrepreneurial Self-efficacy · Entrepreneurial Intention · Entrepreneurial Networks · Entrepreneurial resources

1 Introduction

Entrepreneurial is an individual or group activity that open business for profit, maintain and develop business, in product or distribution of goods or services [1]. Knowledge about student entrepreneurial intentions is an important precursor in understanding entrepreneurship improvement in university. Intention to begin entrepreneurship among students linked to entrepreneur image as an alternative career. Although university provide different resource to support graduated entrepreneurship, it's effectiveness in

reaching student is questionable. The idea of entrepreneur having strong correlation with self-efficacy and its ability can be obtain through compulsive training environment. Providing many resources, opportunity, and social network can contribute to entrepreneur self-efficacy empowerment [2]. Entrepreneurial level in Indonesia still lower compared to other South East Asian countries. Entrepreneurial level in Indonesia recorded 3.47%, below Singapore level at almost 9% or Malaysia and Thailand level at almost 5%. [3]. Small and Medium Company (SME) is still spearheaded in supporting Indonesia Economic. To overcome competition during pandemic, SME needs to innovated at producing goods and service according to market need. Businessman and SME could develop new ideas in social entrepreneurial to contribute at breaking 16 social economic problems cause by pandemic.

Base on Fig. 1, only 6.14% of college graduate motivated by autonomy and entrepreneurship. Whereas high school graduate motivated by autonomy and entrepreneurship reach 22.63% and junior high school reach 32.46%. In other words, college graduate prefers to work in formal institution and only a few prefers to work in non-formal institution.

Zimmerer and Scarborough [4] mention few constraints in entrepreneurship, such as uncertain income, risk of losing investment, hard and lengthy work, low life quality before reaching an established business and huge responsibility. In this case, a lot of people are discouraged from becoming entrepreneur because they are not ready to face potential obstacles and risks that exist when starting business.

Entrepreneurial world is basically a fairly rational choice in uncertain situations and conditions, as well as difficulty of finding work, but until now the entrepreneurial world has not become job field that is in demand and awaited by the community, younger generation, especially scholars. The cause of low interest in entrepreneurship arises as a result of the desire of graduates to become civil servants or private employees, not mentally ready, lack of confidence, and others Every human being, whatever the task and position will always face with difficulties and obstacles in carrying out their duties, as well as entrepreneurship.

The study incorporates several previous studies that try to study the influence of entrepreneurial network and also entrepreneurial resource to student self-efficacy with implication on the entrepreneurial behavior intention. In this study, researchers used Multimedia Nusantara University students who have entrepreneurial interests as research

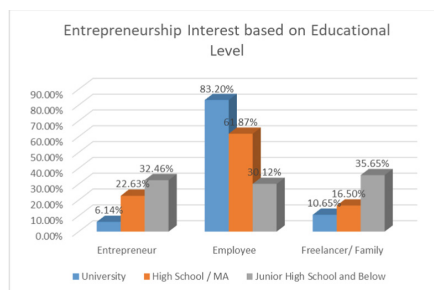


Fig. 1. Entrepreneur Interest (%). Source: Kompasiana [5]

objects. The reason for using students as the object of this research is because students who have taken entrepreneurship courses often prefer to build their own businesses compared to working with other people.

2 Literature Review

2.1 Theory of Planned Behaviour (TPB)

The theory of planned behavior by Ajzen [6] determines that the individual behavior intention driven by three behaviors such as attitude, subjective norm and perceived behavior control.

2.2 The Relationship Between Entrepreneurial Resources on Entrepreneurial Self-efficacy

Facilitating access to resources for new enterprises can effectively reduce entrepreneurial entry costs, hence boosting the value of entrepreneurial possibilities [7]. This section examines the third proposition of the entrepreneurial intention model. The app offers a special UI that gives comprehensive information on entrepreneurial tools to enhance students' awareness of entrepreneurship and, consequently, their self-efficacy. This section highlights entrepreneurial lectures and events. Users of the system are able to view future seminars not just within the university, but also in the surrounding community, allowing them to obtain additional knowledge that boosts entrepreneurial abilities and awareness. Understanding the triumphs and failures of startups will educate students on how entrepreneurship works Inspiring entrepreneur. This section describes the personal histories of both successful and unsuccessful entrepreneurs.

It was discovered that entrepreneurial narratives facilitate entrepreneurial learning and inspire students to become entrepreneurs. Their experience can impact a person's willingness to seek a career that is consistent with his educational background. Even if they are less successful in entrepreneurship, entrepreneurs who fail can enhance their motivation [7]. This information will have a good effect on the entrepreneurial aspirations of individuals by assisting them in overcoming their fears and challenges. This interface offers information regarding incubators, such as university incubators, country-based incubators, and incubators operating in this country. Their knowledge enhances pupils' entrepreneurship This interface displays information on financial help, training, and available networks. According to studies, lack of capital is a significant impediment to business. Jones [8] argues that a deeper knowledge of the implications of access to finance on graduate entrepreneurship is required. Based on above approach the authors develop hypothesis as below:

H1: Entrepreneurial Resources influence Entrepreneurial Self-Efficacy.

2.3 The Relationship Between Entrepreneurial Network with Entrepreneurial Self-efficacy

Students' entrepreneurial self-efficacy is significantly enhanced by the entrepreneurial network. A collection of normative ideas determines subjective norms, or the perceived

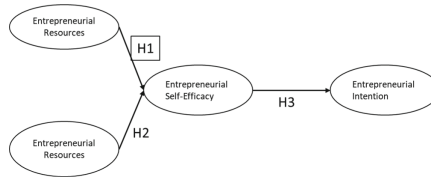


Fig. 2. Research model

expectations of the environment for specific activities. Relationship development is crucial for business launch planning [9]. According to Mueller [10], it is vital to give students with opportunity to create networks with entrepreneurially-minded peers. Additionally, understanding of entrepreneurial support networks upon which one can rely during the development of a business can boost perceived behavioral control [10]. Thus, this system component addresses the entrepreneurial intention model's proposals.

This component provides a forum for students to establish a network of cross-disciplinary startups.

Students can create an account and log in to search for and connect with entrepreneurially minded peers from a variety of fields. The authors formulated the following hypothesis:

H2: Entrepreneurial Network influence Entrepreneurial Self-Efficacy.

2.4 Relationship Between the Self-efficacy and Entrepreneurial Intention

According to Kurniawan [11], self-efficacy is a person's perception of his ability to perform specific activities or accomplish specific goals. According to Azizah [12], self-efficacy is the conviction that a person can master a situation and achieve a variety of positive and helpful outcomes. Self-efficacy is acquired, increased, or lessened through one or a combination of the following four sources: mastery experience, vicarious experience, social persuasion, physical condition, and emotional improvement. With each strategy, information about oneself and the surrounding environment will be processed cognitively, and a compilation of prior experiences will alter self-efficacy perceptions. Based on the preceding description, the following hypotheses guide this study (Fig. 2).

H3: *Entrepreneurial Self-efficacy influences Entrepreneurial Self-Efficacy.*

3 Research Method

This research is cross-sectional quantitative research. Quantitative research is a method in which researchers study a particular population or sample, using a sampling technique that is usually done randomly. Quantitative research often tests hypotheses set by researchers using statistics [13]. In this study, researchers used primary and secondary data to support the research. Primary data were collected directly by the researcher by distributing questionnaires to the respondents in accordance with the target population of the study. In addition, for secondary data as a reference to complete research such as website articles, research journals, textbooks and news. The sampling design is Non-Probability Sampling, namely using the Purposive Sampling technique because from

Universitas Multimedia Nusantara, Pelita Harapan, Universitas Atma Jaya, dan Universitas Prasetya Mulya. This study uses a sampling question multiplied by the number of independent variables. Then the minimum number of samples required is 26×4 which is as many as 104 respondents [14]. The analysis result will use Partial Least Square – Structural Equation Model (PLS-SEM) where there will be measurement and structural model evaluation.

4 Result and Discussion

1. Measurement and Structural Model Evaluation

The Measurement model evaluation aims to evaluate the relationship between the variables and the question indicators. The measurement model evaluations carried out by measuring convergent validity, discriminant validity and reliability as depicted in Table 1. The Structural Model Evaluation aim to evaluate the path coefficient, t-value and p-value that can be used for hypothesis testing.

The Outer loading, AVE and Composite Reliability are measurement to the construct reliability and validity, and the Cronbach’s Alpha evaluates the Discriminant validity.

2. Analysis and Discussion

Based on the Table 2, The Results of the Effect of Entrepreneurial Resources on Entrepreneurial Self-Efficacy. The test results show that the t value for H1 is the influence

Table 1. Measurement Model Evaluation

No	Variabel	Indicator	Outer Loading	AVE	Comp Reliability	Cronbach’s Alpha
			> 0.6–0.7	> 0.5	> 0.7	> 0.7
1	<i>EI</i>	EI1	0.70	0.47	0.81	0.72
		EI2	0.64			
		EI3	0.70			
		EI4	0.62			
		EI5	0.76			
2	<i>ER</i>	ER1	0.57	0.43	0.75	0.56
		ER2	0.68			
		ER3	0.74			
		ER4	0.62			
3	<i>EN</i>	EN1	0.71	0.50	0.80	0.67
		EN2	0.74			
		EN3	0.79			
		EN4	0.58			

Source: Author Analysis using PLS-SEM

Table 2. Structural Model Evaluation

Hypothesis	Original Sampel	Sample Mean	Std Dev	T Stat	P Values
H1	0,174	0,207	0,130	2,339	0,041
H2	0,158	0,163	0,138	2,145	0,046
H3	0,523	0,546	0,113	4,640	0,000

Source: Author Analysis using PLS-SEM

between Entrepreneurial Resources on Entrepreneurial Self-Efficacy of $2,339 < t$ table (1,645) and the P-value of $0.041 < 0.05$, meaning that H3 is accepted. So Entrepreneurial Resources influences Entrepreneurial Self-Efficacy. According to Kurniawan [11] self-efficacy is a person's assessment of his own ability to carry out certain behaviors or achieve certain goals. Azizah [12], says that self-efficacy is a person's belief so that he can master a situation and produce various positive and useful results. The self-efficacy is obtained, increased, or decreased through one or a combination of four sources of mastery experience, vicarious experience, social persuasion, physical condition and emotional enhancement. With each method, information about oneself and the environment will be processed cognitively and, together with a collection of previous experiences, will change perceptions about self-efficacy. The results of this study are in line with Tomy and Pardede [15], which stated that Self Efficacy was found to have a positive influence on entrepreneurial intentions.

Based on the Table 2, The Results of the Effect of Entrepreneurial Networks on Entrepreneurial Self-Efficacy. The test results show that the t-count value for H3 is the influence between Entrepreneurial Networks on Entrepreneurial Self-Efficacy of $2.145 > t$ table (1.645) and the P-value of $0.046 < 0.05$, meaning that H4 is accepted. So Entrepreneurial Networks have a positive effect on Entrepreneurial Self-Efficacy. Test Results of the Effect of Entrepreneurial Parent Support on Entrepreneurial Self-Efficacy. This result also align with previous research by with Tomy and Pardede [15].

Based on the Table 2 above, it is known that the calculated t value for H3 is the influence between Entrepreneurial Self- efficacy on Entrepreneurial Intention of $4.640 > t$ table (1.645) and the P-value of $0.000 < 0.05$ means that H1 is accepted. So Entrepreneurial Self-Efficacy has a positive effect on Entrepreneurial Intention. This result also align with previous research by with Tomy and Pardede [15].

5 Conclusion

The study aimed to investigate the influence of entrepreneurial network and also network to entrepreneurial self-efficacy that drives the entrepreneurial intention in the higher education. the finding shows that entrepreneurial network and resource to the self-efficacy with implications on student behavior entrepreneurial intention.

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