



Exploring the Determinant Variables of Entrepreneurial Career Decision among University Students in Depok City

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Abstract. This study aims to identify and analyze the determinants of entrepreneurial career decisions among university students, focusing on the influence of entrepreneurial literacy and family support, with self-efficacy as an intervening variable. Despite increasing interest in entrepreneurship, previous research has primarily emphasized entrepreneurial intention rather than actual career decision-making, particularly in the MSME sector. A quantitative approach was employed, involving 220 university students in Depok City. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results show that entrepreneurial literacy and family support have a significant and positive effect on students' entrepreneurial career decisions. Students with higher levels of entrepreneurial knowledge and strong family encouragement are more likely to choose entrepreneurship as a professional path. Furthermore, self-efficacy was found to mediate both relationships significantly, indicating that students' confidence in their ability to succeed strengthens the impact of knowledge and family support on entrepreneurial career choices. These findings underscore the importance of cognitive and emotional readiness as key components in shaping entrepreneurial decisions. The study suggests that universities should enhance experiential learning and practical exposure to entrepreneurship, while families can serve as a continuous source of motivation. Future research should expand the demographic scope and explore additional psychological or environmental factors that may influence career decision-making.

Keywords: Entrepreneurial literacy, Family support, Self-efficacy, Entrepreneurial career decision, MSMEs

1 Introduction

The unemployment rate in Indonesia has emerged as a significant national issue. Data from the Indonesian Central Statistics Agency (BPS) indicates that in 2024, there were 7.2 million unemployed individuals, including 408,326 university graduates [1]. This indicates that higher education, including university degrees, does not ensure successful employment in the industry. A significant number of university graduates prefer careers in corporate roles rather than entrepreneurship [2]. In addition, the disparity between job availability and the number of university graduates continues to grow.

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To address unemployment, the Indonesian government incorporates entrepreneurship subjects and programs to foster entrepreneurial motivation among university students. Nonetheless, student entrepreneurial motivation is comparatively low [3]. The majority of Micro, Small, and Medium Enterprises (MSMEs) actors are elementary school graduates, comprising 48.59%, whereas those with a bachelor's or diploma degree account for only 4.7% [4]. Whereas MSMEs have the capacity to absorb a significant number of employees.

Depok, recognized for its large student population and role as a hub for Jakarta, has only 0.36% of young entrepreneurs. It means that the motivation of the young generation in Depok is relatively low. A previous study found that students' lack of interest in entrepreneurship is due to a lack of entrepreneurial literacy, inadequate family support, and low self-efficacy [5]. University students need to have entrepreneurial literacy as basic knowledge and self-efficacy as an entrepreneur to start a business. In addition, family support also plays a significant role in an individual's decision to pursue a career as an entrepreneur or an employee.

The study investigating the determinants of entrepreneurial careers among university students remains limited. Most studies emphasize the intention to become an entrepreneur rather than specifically addressing entrepreneurship among university students in MSMEs. The present study aims to clarify the factors influencing career choice decisions among university students, specifically examining the roles of entrepreneurial literacy, family support, and self-efficacy as intervening variables.

2 Literature Review

2.1 Entrepreneurial Literacy

Entrepreneurial literacy refers to an individual's knowledge, skills, and awareness of the business environment. A prior study stated that entrepreneurial literacy influences students' interest in pursuing an entrepreneurial career [6]. Students with strong entrepreneurial literacy are more likely to pursue careers in entrepreneurship [7]. It means that entrepreneurial literacy has a positive impact on career decisions for entrepreneurs. Therefore, the entrepreneurial subject in university can prepare students to become entrepreneurs and encourage them to become entrepreneurs. Thus, the hypothesis of entrepreneurial literacy and entrepreneurial career decisions is as follows:

H1: Entrepreneurial literacy significantly influences the career decision as an entrepreneur among university students.

2.2 Family Support

Family is prioritized in decision-making because it incorporates values, roles, and interactions among members aimed at achieving shared objectives. Consequently, family significantly influences children's career aspirations. A family's support for their children in entrepreneurship will significantly influence their children's motivation to

engage in entrepreneurial activities. Previous research has identified a positive correlation between family support and children's entrepreneurial career choices [8], [9]. The relationship indicates that greater support from family members is associated with heightened entrepreneurial interest among students. We therefore propose the second hypothesis as follows:

H2: Family support significantly influences the career decision to become an entrepreneur among university students.

2.3 Attitude

Self-efficacy refers to an individual's confidence in their capabilities, significantly impacting entrepreneurial decision-making [10]. Students exhibiting high self-efficacy are generally more equipped to confront challenges and engage in risk-taking behaviours. Previous studies found that self-efficacy serves as a mediating variable among entrepreneurial literacy, family support, and career decision-making as an entrepreneur. Someone who has entrepreneurial literacy and a strong interest in entrepreneurship typically exhibits a heightened tendency towards innovation and creativity in pursuit of their objectives. This may enhance the desire to pursue an entrepreneurial career. Consequently, an individual's level of self-efficacy positively correlates with their interest in pursuing an entrepreneurial career. Where family supports positively and significantly influences entrepreneurial career choice, with self-efficacy serving as a mediating variable [11]. Family support enhances an entrepreneur's confidence in their abilities. Increased moral and material support from the family enhances an individual's confidence. Self-efficacy is posited to mediate the relationship between family support and an individual's interest in entrepreneurship. Thus, we postulate the third and fourth hypotheses as follows:

H3: Self-efficacy significantly mediated the relationship between entrepreneurial literacy and the career decision as an entrepreneur among university students.

H4: Self-efficacy significantly mediated the relationship between family support and the career decision as an entrepreneur among university students.

Figure 1 presents the proposed research model, which examines the factors influencing career decisions among university students as entrepreneurs, focusing on entrepreneurial literacy, family support, and self-efficacy.

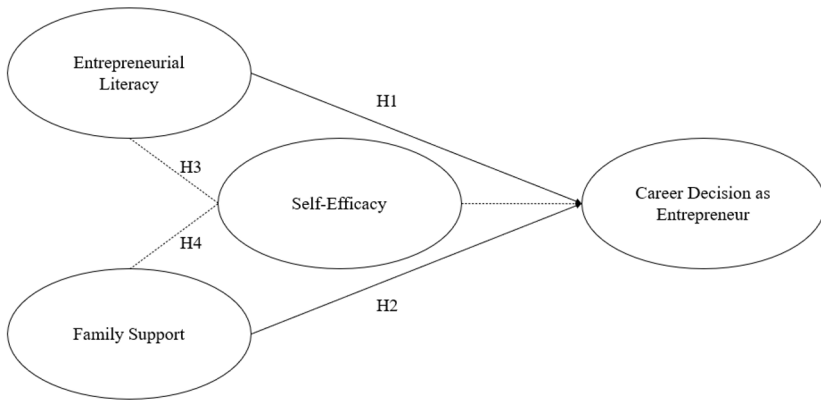


Fig. 1. The Proposed Research Model

3 Methodology

This study employs a quantitative methodology to examine the effects of entrepreneurial literacy and family support on entrepreneurial career decisions among university students, with self-efficacy as a mediating factor. An online questionnaire comprising 40 questions was developed and distributed via social media platforms in June 2025. A total of 210 valid samples were collected through purposive sampling, targeting final-year university students residing in Depok. The data were analyzed using PLS-SEM, selected for its robustness and capacity to handle non-normal data and small sample sizes ([12]).

4 Results

Table 1 shows the demographic characteristics of the respondents (N = 220). The majority were female (62%), with males representing 38%. Most respondents were between 22 and 25 years old (86%), followed by those aged 25+ (10%) and under 20 (4%). In terms of educational status, 65% were bachelor's students, while 35% were diploma students. Overall, the sample is dominated by young adults pursuing higher education.

Table 1. Respondents Profile

	Frequencies (N=220)	Percentage
Gender		
Male	60	38%
Female	137	62%
Age Range		
<20	9	4%
22-25	189	86%
>25	22	10%
Education Status		
Diploma	78	35%
Bachelor	142	65%

Measurement Model Test. Table 2 presents the results of the measurement model assessment using PLS-SEM. All constructs meet the reliability and validity criteria. The outer loading values for all indicators exceed the acceptable threshold of 0.70, indicating good indicator reliability [12]. Entrepreneurship Literacy (X1), Family Support (X2), Self-Efficacy (Z), and Entrepreneurial Career Decision (Y) have Cronbach’s Alpha values ranging from 0.885 to 0.902 and Composite Reliability values from 0.908 to 0.919, demonstrating high internal consistency. The Average Variance Extracted (AVE) values for all constructs are above 0.50, confirming adequate convergent validity [12]. These results indicate that the measurement model is reliable and valid for further structural analysis.

Table 2. Measurement Model Test Results

Item	Outer Loading	Cronbach’s Alpha	Composite Reliability	Average Value Extracted
Entrepreneurship Literacy (X1)		0.895	0.913	0.513
X1.1	0.711			
X1.2	0.705			
X1.3	0.710			
X1.4	0.706			
X1.5	0.704			
X1.6	0.729			
X1.7	0.739			
X1.8	0.702			
X1.9	0.716			
X1.10	0.737			
Family Support (X2)		0.891	0.910	0.503
X2.1	0.702			
X2.2	0.709			
X2.3	0.709			

X2.4	0.723			
X2.5	0.709			
X2.6	0.712			
X2.7	0.701			
X2.8	0.708			
X2.9	0.708			
X2.10	0.714			
Self-Efficacy (Z)				0.522
Z1	0.749	0.885	0.908	
Z2	0.780			
Z3	0.700			
Z4	0.704			
Z5	0.720			
Z6	0.702			
Z7	0.732			
Z8	0.708			
Z9	0.703			
Entrepreneurial Career Decision (Y)		0.902	0.919	0.506
Y1	0.708			
Y2	0.706			
Y3	0.709			
Y4	0.719			
Y5	0.714			
Y6	0.702			
Y7	0.718			
Y8	0.709			
Y9	0.706			
Y10	0.728			
Y11	0.707			

Table 3 presents the results of discriminant validity assessed through the Heterotrait–Monotrait Ratio (HTMT). All HTMT values among the constructs—Entrepreneurship Literacy (X1), Family Support (X2), Self-Efficacy (Z), and Entrepreneurial Career Decision (Y)—are below the recommended threshold of 0.85 [12], demonstrating that each construct is empirically distinct from the others. The HTMT values range from 0.581 to 0.812, indicating sufficient discriminant validity and confirming the absence of multicollinearity or overlapping constructs within the model ([12]).

Table 3. Discriminant Validity Test Result (The Heterotrait-Monotrait Ratio)

	X1	X2	Z	Y
X1				
X2	0.581			

Z	0.657	0.662	
Y	0.648	0.662	0.812

Structural Model Test. Table 4 demonstrates that all tested hypotheses are supported, indicating robust relationships among the studied variables. Both entrepreneurial literacy (X1) and family support (X2) directly influence students’ entrepreneurial career decisions (Y), suggesting that individuals with greater knowledge and understanding of entrepreneurship and those who receive encouragement from their families are more confident in choosing entrepreneurship as a career path. The mediation analysis further reveals that self-efficacy (Z) strengthens these relationships. Specifically, entrepreneurial literacy and family support also indirectly influence career decision-making by improving students’ belief in their ability to succeed. In other words, the more knowledgeable and supported students feel, the stronger their self-confidence becomes, which ultimately enhances their intention to pursue an entrepreneurial career.

Table 4. Hypotheses Testing Results

Hypotheses	β	T statistics	P Values	Decisions
H1: X1→Y	0.198	2.890	0.004	Supported
H2: X2→Y	0.211	2.993	0.003	Supported
H3: X1→Z→Y	0.197	3.488	0.000	Supported
H4: X2→Z→Y	0.175	3.298	0.001	Supported

4.1 Discussion

The statistical results indicate that all hypotheses received support. The intention to become an entrepreneur was significantly influenced by entrepreneurial literacy. This result further corroborated the findings presented in references [6] and [7]. Moreover, family support significantly influences a student's decision-making when pursuing a career as an entrepreneur. The findings of [8] and [9] indicate that greater support from family members is associated with higher entrepreneurial interest among students. This indicates that individuals possessing sufficient entrepreneurial knowledge and strong familial backing are more likely to consider entrepreneurship as a feasible career path.

The results also indicate that self-efficacy mediates the relationship between entrepreneurial literacy and family support in influencing entrepreneurial career decisions. This finding supported previous studies that found self-efficacy plays a significant role as a mediating variable [2], [7]. Students with greater entrepreneurial knowledge and familial support generally exhibit greater confidence in their potential for success, with this augmented self-assurance serving as a significant factor in their decision to engage in entrepreneurship. Self-efficacy functions as a psychological mechanism that converts external and internal stimuli into definitive career decisions.

5 Conclusion

This study aimed to investigate the factors influencing entrepreneurial career decisions among university students, emphasizing the roles of entrepreneurial literacy, family support, and self-efficacy as intervening variables. The PLS-SEM results indicate that entrepreneurial literacy and family support have a significant and direct impact on students' decisions to pursue entrepreneurial careers in MSMEs. In addition, self-efficacy, as a mediating variable, also plays a significant role in influencing the relationships among entrepreneurial literacy, family support, and intention to become an entrepreneur among university students in Depok City.

These findings suggest that universities and policymakers ought to develop entrepreneurship education that transcends theoretical knowledge by integrating experiential learning, mentoring, and exposure to real business environments to enhance students' self-efficacy. Programs or seminars focused on family involvement may enhance the support students receive at home, as families are crucial to maintaining motivation. Enhancing the cognitive dimension, specifically entrepreneurial literacy, alongside the emotional aspects of family support and self-efficacy, will more effectively equip students to view entrepreneurship as a viable and appealing career choice.

This study has limitations. The research sample is confined to university students in a specific geographical area and does not account for cultural or socioeconomic factors that may affect career choices. Future research should include students from diverse regions or academic backgrounds to improve generalizability. Qualitative approaches, including interviews, can be used to investigate the underlying motivations that influence entrepreneurial decision-making. Future research may explore additional psychological or environmental factors—such as risk tolerance, peer influence, or access to financial resources—to achieve a more comprehensive understanding of entrepreneurial career development.

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