



# Self-Efficacy as a Mediator of Entrepreneurial Intention Among Economics and Business Students in West Jakarta

Steffany Chintia<sup>1\*</sup>  and Nur Hidayah<sup>2</sup> 

<sup>1,2</sup> Tarumanagara University, Jakarta, Indonesia

\*steffany.115220072@stu.untar.ac.id

nurh@fe.untar.ac.id

**Abstract.** By 2025, Indonesia recorded over one million jobless individuals holding university degrees, marking the worst unemployment spike for this demographic in the last four years [4]. Such an alarming figure highlights a severe mismatch: fresh graduates often lack the practical and technical competencies required by modern industries [13]. Encouraging university students to engage in entrepreneurial activities is widely considered a potential solution to this issue. Therefore, the present research evaluates how learning about business and having an entrepreneurial way of thinking shape a student's desire to open a venture. Specifically, it examines whether self-efficacy functions as a mediating variable in this relationship among business and economics students in West Jakarta. A quantitative method utilizing a causal-conclusive framework was applied. Through a purposive non-probability sampling strategy, 142 active scholars from Tarumanagara University, Trisakti School of Management, and Bina Nusantara University were selected. All participants had previously completed an entrepreneurship course. Information was gathered via digital surveys and processed using Structural Equation Modeling (SEM) via SmartPLS 4. The results indicate that formal business lessons strongly and positively build a student's entrepreneurial mentality, their self-confidence, and their drive to establish a startup. In the same way, an entrepreneurial mindset significantly increases both self-efficacy and the motivation to become a business owner. Moreover, high self-efficacy directly leads to a stronger intention to start a business venture. Ultimately, self-belief functions as a partial mediator that connects both classroom learning and proactive thinking to the final goal of venture creation.

**Keywords:** Entrepreneurship Education, Entrepreneurial Mindset, Self Efficacy, Entrepreneurial Intention.

## 1 Introduction

Indonesia is currently facing a significant challenge related to unemployment among university graduates. Official records from the Central Statistics Agency (BPS) point out that while early 2022 saw roughly 884,000 unemployed degree holders, the figure increased significantly to a four-year peak of 1,010,652 by 2025 [4]. This upward trend

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K. Keni et al. (eds.), *Proceedings of the fourteenth International Conference on Entrepreneurship and Business Management 2025 (ICEBM 2025)*, Advances in Economics, Business and Management Research 387,

[https://doi.org/10.2991/978-94-6239-670-8\\_19](https://doi.org/10.2991/978-94-6239-670-8_19)

clearly proves that what students learn on campus does not match the practical and technical demands of today's job market [13]. Allowing this situation to continue will only trigger higher poverty rates, lower national income, and a fragile macroeconomic state. To counter this, promoting entrepreneurship is recognized as an effective master plan because it enables individuals to create their own sources of income while creating employment opportunities [9, 15].

What drives a person to start a venture, often called entrepreneurial intention—depends heavily on their educational background, their psychological readiness, and their belief in their own capabilities. Previous studies have shown highly debated results on whether business classes and mindsets play a significant role, leaving a noticeable gap in the literature. Some researchers found strong proof of these impacts, while others observed zero correlation. It is important to further examine entrepreneurial intention since it acts as the very first step toward actual business creation, which is a powerful tool to reduce graduate unemployment [15]. Consequently, the main purpose of this research is to investigate whether self-efficacy connects the impacts of business education and an entrepreneurial mindset toward the startup intentions of economics and business scholars at three private campuses in West Jakarta.

## 1.1 Literature Review

**Theory of Planned Behavior.** This study is built upon Ajzen's 1991 Theory of Planned Behavior (TPB). The TPB model argues that any decision to perform an action is controlled by three primary elements: personal attitude, social norms, and the individual's perceived control over the situation. This theory perfectly explains how classroom lessons, a proactive business mentality, and personal self-belief work together to trigger a student's desire to become an entrepreneur.

**Conceptual Definitions.** Entrepreneurship education is an activity aimed at strengthening insights regarding business preparation and management, as well as encouraging a proactive way of thinking toward business opportunities [17]. Entrepreneurial mindset is a way of thinking that encourages a person to create new ideas, be proactive in facing problems, and be responsive in recognizing and optimizing opportunities to create new ventures [8]. Self-efficacy is a person's belief that they are capable of managing, executing, and completing specific tasks to achieve targeted results [3]. Entrepreneurial intention is a person's willingness to become an entrepreneur or operate a business [2].

Hypothesis. The hypotheses proposed in this study are as follows:

H1: Entrepreneurship education has a positive effect on the entrepreneurial mindset of Economics and Business students in West Jakarta.

H2: Entrepreneurship education has a positive effect on the entrepreneurial intention of Economics and Business students in West Jakarta.

H3: Entrepreneurial mindset has a positive effect on the entrepreneurial intention of Economics and Business students in West Jakarta.

H4: Self-efficacy has a positive effect on the entrepreneurial intention of Economics and Business students in West Jakarta.

H5: Entrepreneurship education has a positive effect on the self-efficacy of Economics and Business students in West Jakarta.

H6: Entrepreneurial mindset has a positive effect on the self-efficacy of Economics and Business students in West Jakarta.

H7: Self-efficacy mediates the effect of entrepreneurship education on the entrepreneurial intention of Economics and Business students in West Jakarta.

H8: Self-efficacy mediates the effect of the entrepreneurial mindset on the entrepreneurial intention of Economics and Business students in West Jakarta.

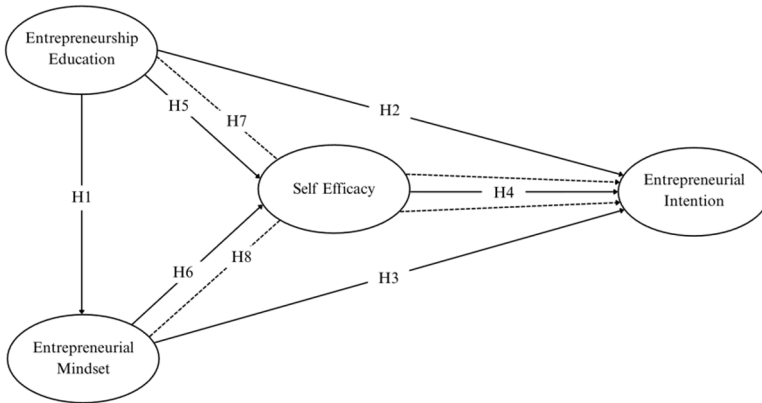


Fig 1. Research Model.

## 2 Research Method

A causal-conclusive research design within a quantitative framework was chosen to observe the direct impacts between the variables [1]. The target demographic was limited to active undergraduate students belonging to the Faculty of Economics and Business across Tarumanagara University, Trisakti School of Management, and Bina Nusantara University in West Jakarta. Using a purposive non-probability sampling method, 142 qualified respondents were recruited. The primary requirement for selection was that the student had already completed a university-level entrepreneurship course. To gather information, digital questionnaires utilizing a standard Likert scale were distributed, asking participants to rate items from "strongly disagree" to "strongly agree." Afterward, the SmartPLS 4 software was used to run Partial Least Squares Structural Equation Modeling (SEM-PLS) on the gathered data.

### 3 Results and Discussion

Data processing relied on SmartPLS 4. The evaluation was split into measuring the outer model and testing the inner structural model.

#### 3.1 Outer Model

**Convergent Validity.** Convergent validity aims to measure whether all indicators within one variable can consistently explain the same construct. This test uses Outer Loading and Average Variance Extracted (AVE).

**Table 1.** Outer loading test results

Indicator	SE	EI	EE	EM
SE1	0.797			
SE2	0.828			
SE3	0.828			
SE4	0.850			
EI1		0.763		
EI2		0.785		
EI3		0.776		
EI4		0.835		
EI5		0.849		
EI6		0.796		
EE1			0.774	
EE2			0.767	
EE3			0.833	
EE4			0.705	
EE5			0.744	
EE6			0.815	
EM1				0.743
EM2				0.654
EM3				0.764
EM4				0.666
EM5				0.780
EM6				0.799

As explained by Hair et al. [5], the best outer loading scores should exceed 0.70, though anything above 0.60 is still tolerable. The statistical output confirms that every single indicator successfully passed the 0.60 threshold.

**Table 2.** Average variance extracted (ave) test results.

Indicator	Average Variance Extracted (AVE)
Entrepreneurship Education	0.599
Entrepreneurial Mindset	0.542
Self-Efficacy	0.682
Entrepreneurial Intention	0.642

Hair et al. [5] require the AVE to be higher than 0.50. The data proves that all variables in this study comfortably meet the AVE standard.

**Discriminant Validity.** This test ensures that every variable is truly unique and does not overlap with others.

**Table 3.** Cross loading test results.

Indicator	SE	EI	EE	EM
SE1	<b>0.797</b>	0.497	0.390	0.489
SE2	<b>0.828</b>	0.587	0.436	0.438
SE3	<b>0.828</b>	0.582	0.440	0.434
SE4	<b>0.850</b>	0.578	0.469	0.436
EI1	0.547	<b>0.763</b>	0.511	0.498
EI2	0.495	<b>0.785</b>	0.348	0.411
EI3	0.544	<b>0.776</b>	0.504	0.509
EI4	0.628	<b>0.835</b>	0.497	0.511
EI5	0.529	<b>0.849</b>	0.502	0.559
EI6	0.516	<b>0.796</b>	0.477	0.558
EE1	0.452	0.524	<b>0.774</b>	0.510
EE2	0.376	0.437	<b>0.767</b>	0.480
EE3	0.440	0.485	<b>0.833</b>	0.542
EE4	0.384	0.416	<b>0.705</b>	0.376
EE5	0.352	0.417	<b>0.744</b>	0.398
EE6	0.426	0.471	<b>0.815</b>	0.533
EM1	0.411	0.455	0.387	<b>0.743</b>
EM2	0.370	0.440	0.444	<b>0.654</b>
EM3	0.389	0.492	0.401	<b>0.764</b>
EM4	0.296	0.373	0.379	<b>0.666</b>
EM5	0.437	0.500	0.478	<b>0.780</b>
EM6	0.468	0.531	0.598	<b>0.799</b>

According to Hair et al. [5], an item is valid if its loading score on its home variable is larger than its cross-loadings elsewhere. The analysis shows that all items scored the highest on their intended variables, proving discriminant validity.

**Table 4.** Fornell-larcker criterion test results.

Indicator	SE	EI	EM	EE
SE	0.826			
EI	0.681	0.801		
EM	0.526	0.595	0.774	
EE	0.543	0.637	0.617	0.736

The Fornell-Larcker results show that the square root of the AVE for every construct is consistently larger than its correlation with any other construct.

**Table 5.** Heterotrait-Monotrait Ratio test results

Indicator	SE	EI	EM	EE
SE	0.782			

Indicator	SE	EI	EM	EE
EI	0.612			
EM	0.643	0.671		
EE	0.782	0.733	0.712	

An HTMT score below 0.90 confirms that the variables are distinct [5]. All HTMT values in this research are well under 0.90.

**Reliability.** A reliable questionnaire guarantees consistent answers. This was measured through Cronbach's Alpha and Composite Reliability.

**Table 6.** Cronbach's Alpha test results

Variable	Cronbach's Alpha
Entrepreneurship Education	0.866
Entrepreneurial Mindset	0.830
Self-Efficacy	0.844
Entrepreneurial Intention	0.888

According to Hair et al. [5], a Cronbach's alpha above 0.70 indicates good internal consistency. The Cronbach's alpha test results show that all variables are above 0.70, so the research instrument has adequate reliability.

**Table 7.** Composite Reliability test results

Variable	Composite (rho a)	Reliability	Composite (rho c)	Reliability
Entrepreneurship Education	0.872		0.899	
Entrepreneurial Mindset	0.840		0.876	
Self-Efficacy	0.846		0.896	
Entrepreneurial Intention	0.891		0.915	

In the same way, any construct with a composite reliability of 0.70 or more is deemed robust [5]. All variables easily passed this requirement.

### 3.2 Inner Model

The structural pathways were evaluated using the Coefficient of Determination, Predictive Relevance, Effect Size, and Goodness of Fit (GoF).

The Coefficient of Determination ( $R^2$ ) results show that entrepreneurship education and entrepreneurial mindset explain 35.4% of the variance in self-efficacy, which falls into the weak category. Entrepreneurship education explains 38.1% of the variance in entrepreneurial mindset (weak category). Furthermore, entrepreneurship education, entrepreneurial mindset, and self-efficacy collectively explain 58.7% of the variance in entrepreneurial intention, categorizing it as moderate.

The Predictive Relevance ( $Q^2$ ) values are 0.259 for self-efficacy, 0.367 for entrepreneurial mindset, and 0.344 for entrepreneurial intention. Since all  $Q^2$  values are strictly greater than 0, the model demonstrates good predictive capability.

The Effect Size ( $f^2$ ) of entrepreneurship education has a small effect on self-efficacy (0.091) and entrepreneurial intention (0.053), but a large effect on entrepreneurial mindset (0.615). The entrepreneurial mindset has a small effect on both self-efficacy (0.119) and entrepreneurial intention (0.110). Meanwhile, self-efficacy exerts a moderate effect on entrepreneurial intention (0.278).

The calculated Goodness of Fit (GoF) value is 0.521. As this value exceeds 0.36, the research model is considered to have a large Goodness of Fit.

### 3.3 Hypothesis Testing

To confirm if the relationships are scientifically meaningful, hypotheses were tested. A path is accepted if its t-statistic is larger than 1.645 and the p-value is smaller than 0.05.

**Table 8.** Path Coefficient test results

Hypothesis Relationship	Original Sample	t-statistic	p-values	Decision
EE → EM	0.617	6.771	0.000	Accepted
EE → EI	0.196	1.981	0.024	Accepted
EM → EI	0.287	2.728	0.003	Accepted
SE → EI	0.421	6.726	0.000	Accepted
EE → SE	0.309	2.883	0.002	Accepted
EM → SE	0.352	3.945	0.000	Accepted
EE → SE → EI	0.130	2.427	0.008	Accepted
EM → SE → EI	0.148	3.391	0.000	Accepted

The initial finding (H1) confirms that business coursework strongly and positively shapes a student's entrepreneurial mindset. This supports older studies suggesting that formal business classes help students adopt a positive outlook on commerce and identify business opportunities [7].

The second outcome (H2) verifies that participating in business education significantly and positively triggers entrepreneurial intention. This is in line with previous literature stating that intensive entrepreneurial learning hardens a student's commitment to building a startup [11].

For the third hypothesis (H3), the data shows that possessing a business-oriented mindset positively and significantly increases the intention to start a venture. This aligns with statements that students with a strong entrepreneurial mindset tend to be more optimistic and ready to face business risks [12].

The fourth result (H4) proves a positive and significant link between personal self-efficacy and venture intention. This backs up the idea that high self-belief is a true reflection of someone's dedication to becoming a business owner [6].

The fifth finding (H5) highlights that structured entrepreneurship education acts as a positive and significant booster for self-efficacy. This agrees with the concept that supportive campus environments give students the push they need to develop ideas, thus growing their internal confidence [16].

The sixth hypothesis (H6) is confirmed, showing that an entrepreneurial mentality significantly and positively increases self-belief. This echoes past research suggesting

that mental toughness and a drive to succeed spark creativity, naturally making students more confident [14].

Data for the seventh hypothesis (H7) demonstrates that self-efficacy acts as a partial bridge connecting business education to venture intention. This reinforces the theory that institutional learning builds competence, which turns into confidence, eventually leading to real business goals [10].

Finally, the eighth outcome (H8) shows that self-confidence functions as a partial mediator between a proactive mindset and ultimate business intention. This conclusion supports studies arguing that a strong entrepreneurial outlook naturally builds the deep self-belief required to successfully run a new business [10].

## 4 Conclusion

Based on the statistical evidence, the findings demonstrate that campus business lessons significantly and positively elevate a student's mindset and motivation for entrepreneurship. In the same way, having a proactive mindset successfully boosts both self-confidence and the intention to engage in entrepreneurial activities. Ultimately, self-efficacy is proven to be a partial connecting bridge that unites the effects of academic learning and mindset toward the final intention of opening a venture.

Universities should maintain a curriculum focused on practical entrepreneurial knowledge and skills. We also recommend organizing time-management seminars to help students balance their university studies while starting a business.

**Acknowledgments.** The authors would like to thank Mrs. Nur Hidayah, S.E., M.M., as the supervisor, for her time, effort, and guidance during the preparation of this article. We also thank all the respondents who participated in filling out the questionnaire for this research.

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