

Enhancing Entrepreneurial Self-Efficacy among Young Indonesian University Students: The Influence of Entrepreneurial Knowledge, Family Environment, and Entrepreneurial Interest

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Abstract: Enhancing Entrepreneurial Self-Efficacy among Young Indonesian University Students: The Influence of Entrepreneurial Knowledge, Family Environment, and Entrepreneurial Interest. **Objective:** This research delves into the complex interplay between Entrepreneurial Knowledge, family environment, and entrepreneurial interest, examining their collective impact on the formation of Entrepreneurial Self-Efficacy (ESE) among aspiring young Indonesian entrepreneurs. **Methods:** The study focuses on a sample of university students in the city of Malang who exhibit a keen interest in entrepreneurship. A structured survey was administered to 230 carefully selected respondents from various universities in Malang, capturing nuanced insights into their Entrepreneurial Knowledge, family dynamics, entrepreneurial interest, and ESE levels. Utilizing Structural Equation Modeling (SEM) with SmartPLS 3 software, the collected data underwent rigorous analysis, revealing significant patterns and relationships. The utilization of a quantitative approach and the specific focus on university students in Malang with entrepreneurial aspirations ensure a comprehensive examination of the factors influencing ESE within this particular demographic context. **Findings:** The findings illuminate the pivotal roles of Entrepreneurial Knowledge, family environment, and entrepreneurial interest in shaping ESE among budding Indonesian entrepreneurs. Specifically, the findings indicate that Entrepreneurial Knowledge, family environment, and entrepreneurial interest exert substantial and positive effects on the development of ESE. **Conclusions:** In conclusion, this study highlights the critical importance of targeted interventions aimed at enhancing Entrepreneurial Knowledge, cultivating supportive family environments, and stimulating entrepreneurial interest among young individuals aspiring to embark on entrepreneurial ventures. By recognizing and addressing these key determinants, policymakers, educators, and stakeholders can effectively bolster the ESE of young prospective entrepreneurs in Indonesia. Moreover, this research sets the stage for future investigations to delve deeper into the nuanced mechanisms underlying these relationships and to explore additional variables that may further enrich our understanding of ESE formation among youth entrepreneurs.

Keywords: entrepreneurial self-efficacy, entrepreneurial knowledge, family environment, entrepreneurial interest.

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■ INTRODUCTION

Self-efficacy in the context of entrepreneurship has been a subject of extensive research in recent decades. Numerous studies have been conducted to elucidate the role of self-efficacy in influencing the performance and success of entrepreneurs. Research endeavors concerning self-efficacy aim to comprehend the psychological factors that impact entrepreneurial performance and success (Gielnik, Bledow, & Stark, 2020). Previously, much of the entrepreneurial research tended to focus on economic and structural factors such as initial capital and market access.

Recent studies indicate that entrepreneurial success is not solely determined by economic and structural factors. The psychological aspects of entrepreneurs, such as self-efficacy, also play a crucial role in shaping entrepreneurial capabilities (Gielnik, Bledow, & Stark, 2020; Neneh, 2022). Self-efficacy is essential for facing challenges and achieving business objectives (Chen, Greene, & Crick, 1998; McGee et al., 2009). Research on self-efficacy in entrepreneurship also aims to understand how experiences and education can influence self-efficacy and entrepreneurial abilities. Self-efficacy can aid in the development of more effective programs and policies to support entrepreneurial growth (McGee et al., 2009).

Indonesia, with the largest population in the Southeast Asian region, holds significant economic potential for generating a substantial number of entrepreneurs. According to the Deputy of Entrepreneurship at the Ministry of Cooperatives and SMEs, the entrepreneurship ratio in Indonesia remains at 3.47% (Mahardika, 2023). The government targets Indonesia to achieve a 3.95% entrepreneurship ratio by 2024. This ratio is comparatively lower than several Southeast Asian countries, such as Thailand with a 4.26% entrepreneurship ratio, Malaysia with 4.74%, and Singapore with 8.76% (Asikin, 2023).

Advanced countries like the United States and Japan have entrepreneurship ratios exceeding

10% (Sitanggang & Sitanggang, 2021). Efforts to enhance the entrepreneurship ratio in Indonesia include understanding the factors driving individuals to become entrepreneurs. Individual motivation for entrepreneurial activities is associated with psychological factors that stimulate entrepreneurial motives. Self-efficacy is one of the psychological factors that drive entrepreneurs to achieve business success (Zhao, Seibert, & Hills, 2005; Tsai, Chang, & Peng, 2016). Therefore, research aimed at cultivating self-efficacy is crucial and warrants further development.

Self-efficacy is an individual's belief in their ability to accomplish desired goals and overcome challenges (Newman et al., 2019). Self-efficacy has been linked to various positive outcomes, including better mental health, higher motivation, and improved academic achievement (Newman et al., 2019). The family environment has been identified as a significant factor influencing the development of self-efficacy (Rachmawan, Lizar, & Mangundjaya, 2015). Previous research indicates that a positive family environment, parental support, and positive role models can help enhance self-efficacy in children and adolescents (Hoeltje et al., 1996). Other research findings suggest that a lack of family support and negative interactions can hinder the development of self-efficacy (Nota et al., 2007).

Family interactions and environment play a crucial role in shaping an individual's self-efficacy in various domains, including career decision-making and academic achievement (Hargrove, Creagh, & Burgess, 2002; Hall, 2003; Weiser & Riggio, 2010). A supportive family environment can provide positive encouragement for individuals to pursue careers as entrepreneurs (Farrukh et al., 2017). Recognizing the importance of family dynamics and incorporating a family perspective can enhance interventions aimed at improving self-efficacy.

Besides the family environment, prior research has demonstrated that Entrepreneurial

Knowledge serves as a catalyst for the formation of self-efficacy (Setiawana et al., 2019; Chowdhury, Endres, & Frye, 2019; Puni, Anlesinya, & Korsorku, 2018; Yousaf et al., 2021; Cox, Muller, & Moss, 2002; Memon, Soomro, & Shah, 2019; Setiawan, 2014). Entrepreneurial Knowledge entails an individual's ability to generate novelty through creative thinking and innovative action, thereby creating ideas or opportunities that can be effectively utilized (Øystein, 2005). Comprehensive knowledge of fundamental entrepreneurship concepts, the processes involved in initiating and managing ventures, as well as understanding the challenges and opportunities therein, can form a robust foundation for individuals to feel confident in confronting complex entrepreneurial situations.

However, even though individuals possess adequate Entrepreneurial Knowledge and are supported by a positive family environment towards the business world, this does not necessarily translate into tangible actions in starting a venture. High levels of entrepreneurial interest often do not align with sufficient levels of self-efficacy to overcome challenges and take concrete steps in realizing ideas into sustainable ventures. In many cases, the courage to venture into entrepreneurship is also influenced by psychological and external factors that either bolster or hinder an individual's entrepreneurial self-efficacy.

Recent years have witnessed a significant increase in entrepreneurial interest among the youth in Indonesia. Recent data indicates that 73% of the younger generation aspire to become entrepreneurs (Setiawan, 2023). This aligns with the global enthusiasm to promote entrepreneurship as a solution to various economic and social challenges. Furthermore, governmental and educational institution support, including universities, in fostering entrepreneurship has been on the rise (Suranto, Sulistyanto, & Marimin, 2022). Incentive programs, training, and mentoring offered by the government and

universities have encouraged the interest and motivation of young generations to pursue their own ventures (Suranto, Sulistyanto, & Marimin, 2022). However, behind this positive trend, there is a concerning phenomenon. Despite the high entrepreneurial interest, there is a significant mismatch between this interest and the level of entrepreneurial self-efficacy (ESE) deemed proficient. Many young entrepreneurs fail in their ventures, primarily due to a lack of readiness in facing challenges and managing risks inherent in the entrepreneurial world (Pollack, Burnette, & Hoyt, 2012; Sitinjak, 2019). This deficiency in ESE is one of the primary causes of failure for many ventures previously driven by high interest. Therefore, in-depth research is needed to understand the factors influencing the formation of ESE among young Indonesian entrepreneurs, thereby enabling the identification of effective solutions to enhance the quality and success of future entrepreneurs.

In the context of this research, recognizing entrepreneurship in Indonesia as a vital solution to address unemployment issues, strengthen the economy, and enhance societal well-being underscores the urgency of the investigated problem. However, the low level of entrepreneurship in Indonesia indicates significant challenges that need to be addressed. Furthermore, research on the factors influencing entrepreneurial self-efficacy remains limited, especially concerning young entrepreneurs in Indonesia, indicating a knowledge gap that requires further investigation.

The variables under investigation, namely Entrepreneurial Knowledge, family environment, entrepreneurial interest, and entrepreneurial self-efficacy, hold high urgency in the context of entrepreneurship development in Indonesia. Entrepreneurial Knowledge serves as a crucial foundation for individuals to initiate ventures. Conversely, the family environment and entrepreneurial interest influence individuals' motivation and courage to enter the

entrepreneurial world. Meanwhile, entrepreneurial self-efficacy, as a key factor, affects individuals' success in facing challenges and effectively managing ventures.

The object of this research is young aspiring entrepreneurs in Indonesia. This research object plays a crucial role in advancing the economy and creating new job opportunities. However, success in starting and managing ventures is often hindered by a lack of entrepreneurial self-efficacy. With a better understanding of the factors influencing entrepreneurial self-efficacy, it is expected to enable the development of more effective educational and training programs to cultivate the skills and attitudes necessary to become successful entrepreneurs.

The aim of this research is to identify and analyze the relationship between Entrepreneurial Knowledge, family environment, entrepreneurial interest, and entrepreneurial self-efficacy among young aspiring entrepreneurs in Indonesia. This research also aims to fill the knowledge gap existing in the literature on entrepreneurship in Indonesia by making a significant contribution to understanding the factors influencing the formation of entrepreneurial spirit. Through a deeper understanding of the relationship between these factors, this research is expected to provide a more comprehensive view of entrepreneurship dynamics in Indonesia and provide guidance for the development of more effective policies and programs to enhance the quantity and quality of entrepreneurs in the country.

■ LITERATURE REVIEW

Entrepreneurial Self-Efficacy (ESE)

Entrepreneurial Self-Efficacy (ESE) refers to individuals' belief in their ability to succeed in entrepreneurial activities (Chen, Greene, & Crick, 1998; McGee et al., 2009). This concept is based on Bandura's self-efficacy theory (1982), which emphasizes the importance of individuals' self-belief in overcoming challenges and achieving desired goals. In the context of entrepreneurship,

ESE encompasses individuals' confidence in their ability to recognize, evaluate, and manage situations related to business ventures, including identifying opportunities, overcoming obstacles, managing risks, and leveraging available resources (Newman et al., 2019).

Entrepreneurial Knowledge

Entrepreneurial Knowledge can be defined as understanding concepts, principles, and practices related to establishing, managing, and developing business ventures, including understanding the characteristics of entrepreneurs, the processes involved in starting and running a business, and knowledge about the business environment and markets (Buchori, 2011). Conceptually, Entrepreneurial Knowledge enables individuals to identify business opportunities, assess risks, and develop effective strategies to achieve business goals (Buchori, 2011; Kasmir, 2014). Entrepreneurial Knowledge plays a crucial role in shaping individuals' Entrepreneurial Self-Efficacy (ESE). Previous studies have shown that individuals with good Entrepreneurial Knowledge tend to have higher levels of ESE because they feel more prepared and capable of facing challenges that arise in running a business (Setiawana et al., 2019; Chowdhury, Endres, & Frye, 2019; Puni, Anlesinya, & Korsorku, 2018; Yousaf et al., 2021; Cox, Muller, & Moss, 2002; Memon, Soomro, & Shah, 2019; Setiawan, 2014). **Hypothesis 1: Entrepreneurial Knowledge influences Entrepreneurial Self-Efficacy**

Family Environment

The family environment encompasses values, norms, and experiences acquired by individuals through interactions with family members and their domestic environment (Hargrove, Creagh, & Burgess, 2002). Previous research has shown that the family environment can provide support or barriers to the

development of entrepreneurial interest and the formation of self-efficacy (Hargrove, Creagh, & Burgess, 2002; Hall, 2003; Weiser & Riggio, 2010). Support from the family in the form of encouragement, role models, and resources can strengthen entrepreneurial interest and increase individuals' confidence to start a business (Hall, 2003). Research indicates that family support, such as encouragement, positive role models, and resources provided by the family, can significantly contribute to strengthening individuals' self-confidence to initiate and develop business ventures (Hargrove, Creagh, & Burgess, 2002; Hall, 2003; Weiser & Riggio, 2010; Pham & Lee, 2023; Odoardi et al., 2018; Farrukh et al., 2017).

Hypothesis 2: Family Environment influences Entrepreneurial Self-Efficacy

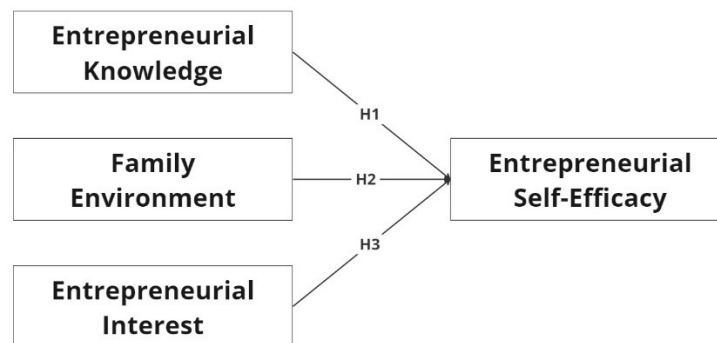
Entrepreneurial Interest

Entrepreneurial interest refers to the tendency or inclination of individuals to engage in entrepreneurial activities, such as initiating,

developing, or managing business ventures (Moriano et al., 2012; Linan et al., 2011; Ferreira et al., 2012). By definition, entrepreneurial interest reflects individuals' intrinsic drive to pursue business opportunities, take risks, and develop creative ideas into successful ventures. The concept of entrepreneurial interest also involves psychological, social, and environmental factors that influence one's willingness to pursue an entrepreneurial path (Moriano et al., 2012; Linan et al., 2011; Ferreira et al., 2012). Previous research has shown that entrepreneurial interest and ESE are strongly correlated because individuals feel more motivated and prepared to face the challenges that arise in entrepreneurship (Liu et al., 2019; Naktiyok et al., 2010). Thus, entrepreneurial interest serves not only as an initial driver to start a business but also plays a crucial role in strengthening individuals' self-confidence in achieving success in the entrepreneurial world.

Hypothesis 3: Entrepreneurial Interest influences Entrepreneurial Self-Efficacy

Figure 1. Hypothesis model



Source: Primary data, 2023

■ **METHOD**

Participant

The population for this study comprises students who have been engaged in business activities for more than 1 year. However, it's important to note that there is no available data indicating the precise number of students meeting

this criterion, hence the population size remains unknown. The sample size for this study is determined using the formula proposed by Hair (2010), which states that the number of respondents should range from 5 to 10 times the number of indicators. With 23 indicators in this study, a sample of 230 respondents is utilized.

The sampling method employed is probability sampling with simple random sampling to ensure adequate representation and reduce bias in sample selection (Sekaran and Bougie, 2017). The respondents are distributed based on gender, with 62.6% male and 37.4% female. Moreover, the age distribution shows 36.9% falling within the 17-21 years range and 63.1% within 22-26 years range.

Research Design and Procedures

This study employs a quantitative approach based on positivist philosophy. This approach involves data collection using structured research instruments with the aim of generating numerical data, which are then statistically analyzed to test the hypotheses established beforehand (Patten, 2016; Sekaran and Bougie, 2017; Hair et al., 2019; Bell et al., 2022). The research adopts an associative research nature with quantitative analysis methods to uncover the relationships among the variables under investigation, namely

Entrepreneurial Knowledge, Family Environment, Entrepreneurial Interest, and Entrepreneurial Self-Efficacy. The research process begins with setting clear objectives and conducting a thorough literature review. Based on this, theoretical models and hypotheses are developed. Research instruments like surveys are then created and validated through testing, including a pilot test to assess the reliability of the instruments. These validated instruments are subsequently distributed to participants, and data collection begins. Collected data is analyzed using statistical methods to test hypotheses. This study was conducted from June to October 2023.

Instruments

Data collection involves a questionnaire-based survey using the Likert scale distributed through the Google Form platform, facilitating clear expression of opinions and perceptions (Sekaran and Bougie, 2017; Hair et al., 2019). The questionnaire consists of 23 questions below:

Table 1. Measurements item

Variable	Question	Adopted from
Entrepreneurial Knowledge	I have knowledge of production and marketing services.	Alhakaf et al. (2022)
	I have experience in obtaining funding for businesses.	
	I have knowledge of laws, policies, and business-related administration.	
Family Environment	I have the approval of my family to become an entrepreneur.	Elizabeth (2019)
	I receive encouragement and advice from my family to become an entrepreneur.	
	I want to become an entrepreneur to follow in my parents' footsteps.	
	My family prepares the capital needed to build the business.	
Entrepreneurial Interest	I receive non-financial support to start the business.	Vodă & Florea (2019)
	I really want to become an entrepreneur.	
	I will make every effort to start and run a business.	
	I am determined to start a company in the future.	
Entrepreneurial Self-Efficacy	I am very serious about considering starting a legal entity business.	Ya (2020); Solvesik (2013)
	I choose to invest in a small or medium-sized enterprise that I build myself.	
	I start my own business because I want freedom and independence.	

I have a good business idea and want to realize it.
I want to start a business to improve financial conditions.
I start my own business because I want to succeed.
I have a good understanding of my own emotions.
I always set goals for myself and then try my best to achieve them.
I always push myself to try my best.
I am good at observing others' emotions.
I have a good understanding of the emotions of people around me.
I can control my emotions so that I can handle difficulties rationally.

Source: Secondary data, 2023

Data Analysis

The data analysis in this study utilized regression analysis, facilitated by SmartPLS 3 software, to examine the relationships between entrepreneurial knowledge, family environment, entrepreneurial interest, and Entrepreneurial Self-Efficacy (ESE) among young Indonesian prospective entrepreneurs. Regression analysis is a statistical technique used to model the relationship between a dependent variable and one or more independent variables (Sekaran and Bougie, 2017). The regression model equation obtained from the analysis expresses the impact of each independent variable on the dependent variable.

The criteria used to assess the significance of the relationships are based on T-statistics and P-values. The T-statistic measures the strength of the relationship between each independent variable and the dependent variable, with larger T-statistic values indicating stronger relationships.

The P-value indicates the probability of observing the obtained results if the null hypothesis (no relationship) were true. A smaller P-value (typically less than 0.05) indicates that the relationship is statistically significant.

RESULT AND DISCUSSION

Model Evaluation Measurement

Convergent Validity, Content Validity, and Discriminant Validity were employed to assess the validity of this study (Hair et al., 2019). All items in the questionnaire underwent validity and reliability testing during the pilot study phase. The measurement of items during the pilot test was deemed valid and reliable. The model utilized in this study also demonstrated valid and reliable results. Based on the model measurement indicators, the outer loading values, Average Variance Extracted (AVE), and Cronbach’s alpha exceeded the predefined cut-off values (Hair et al., 2019).

Table 2. Model evaluation

Variable	Cronbach's Alpha	rho_A	Composite Reliability	(AVE)
Entrepreneurial Knowledge	0.947	0.947	0.960	0.826
Family Environment	0.947	0.950	0.956	0.706
Entrepreneurial Interest	0.954	0.954	0.960	0.687
Entrepreneurial Self-efficacy	0.956	0.959	0.961	0.639

The table provides an overview of the reliability and validity measures for the variables examined in the study. The Cronbach's Alpha coefficients for all variables, ranging from 0.947 to 0.956, indicate high internal consistency among the items within each scale, suggesting that the items reliably measure the same underlying constructs. Additionally, the rho_A coefficients, which also assess internal reliability, show consistently high values between 0.947 and 0.959, indicating strong correlations among the items within each scale. Furthermore, the Composite Reliability scores, ranging from 0.956 to 0.961, demonstrate high consistency among the variables in measuring their respective constructs collectively. Finally, the Average Variance Extracted (AVE) values, ranging from 0.639 to 0.826, indicate that a substantial proportion of variance in the variables is

accounted for by their respective constructs, suggesting adequate convergent validity. Overall, these findings suggest that the measurement instruments used in the study exhibit strong reliability and validity, providing confidence in the accuracy and consistency of the data collected.

Structural Data Evaluation

This study employed SmartPLS 3 to examine the relationships between entrepreneurial knowledge, family environment, entrepreneurial interest, and Entrepreneurial Self-Efficacy (ESE) among young Indonesian prospective entrepreneurs. Sampling was conducted randomly using the simple random sampling method, with a sample size set at 230. The hypotheses testing of this research is presented as follows:

Table 3. Hypothesis testing

Variable	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Entrepreneurial Knowledge -> ESE	0.687	0.067	10.234	0.000
Family Environment -> ESE	0.208	0.071	2.922	0.004
Entrepreneurial Interest -> ESE	0.451	0.072	6.267	0.000

Source: Primary data, 2023

From the hypothesis testing above, the regression model equation obtained is as follows:

$$\text{ESE} = (0.687 X1) + (0.208 X2) + (0.451 X3)$$

1. Entrepreneurial Knowledge (X1): The positive regression coefficient (0.687) indicates that an increase of one unit in entrepreneurial knowledge will result in an increase of 0.687 units in Entrepreneurial Self-Efficacy (ESE).
2. Family Environment (X2): The positive regression coefficient (0.208) indicates that an increase of one unit in the family

environment will result in an increase of 0.208 units in ESE.

3. Entrepreneurial Interest (X3): The positive regression coefficient (0.451) indicates that an increase of one unit in entrepreneurial interest will result in an increase of 0.451 units in ESE.

In the structural data evaluation of this study, we analyzed the relationships between various factors—entrepreneurial knowledge, family environment, entrepreneurial interest, and Entrepreneurial Self-Efficacy (ESE)—among young prospective entrepreneurs in Indonesia.

Utilizing SmartPLS 3, we investigated how these factors interrelated to understand the dynamics influencing entrepreneurial self-efficacy. Our sample of 230 respondents was randomly selected using the simple random sampling method, ensuring representation across relevant demographics. The hypotheses testing, as presented in Table 3, involved examining the original sample data alongside measures of standard deviation, T statistics, and P values. The results indicate significant associations between entrepreneurial knowledge, family environment, and entrepreneurial interest with ESE, as evidenced by the T statistics, all of which are substantially higher than the critical value.

Discussion

H1: Entrepreneurial Knowledge has a significant positive effect on Entrepreneurial Self-Efficacy (ESE)

The T-statistic result is 10.234. Since the T-statistic is much larger than the critical T-table value (1.65) at a significance level of 0.05 ($p < 0.05$), it can be concluded from this hypothesis test that the relationship between Entrepreneurial Knowledge and ESE is statistically significant. Entrepreneurial knowledge significantly influences the Entrepreneurial Self-Efficacy (ESE) of young aspiring entrepreneurs, a finding consistent with previous research (Buchori, 2011; Kasmir, 2014; Setiawana et al., 2019; Chowdhury, Endres, & Frye, 2019; Puni, Anlesinya, & Korsorku, 2018; Yousaf et al., 2021; Cox, Muller, & Moss, 2002; Memon, Soomro, & Shah, 2019; Setiawan, 2014). This finding illustrates that a deep understanding of concepts, practices, and challenges in the realm of entrepreneurship forms a strong foundation in shaping individuals' self-belief in facing the business world. These results directly support the theoretical perspective of Bandura (1982), which emphasizes the importance of individuals' perceptions of their own abilities in overcoming obstacles and

achieving goals. By having a deeper knowledge of business dynamics, young aspiring entrepreneurs tend to feel more prepared and confident in taking risks and effectively managing their ventures. Therefore, this finding emphasizes the importance of developing educational and training programs focused on enhancing entrepreneurial knowledge that not only improves practical competencies but also strengthens self-confidence, which is key to achieving success in the entrepreneurial world.

H2: Family Environment has a significant positive effect on Entrepreneurial Self-Efficacy (ESE)

The T-statistic result is 2.922. Comparing this value with the critical T-table value (1.65) at a significance level of 0.05, it can be concluded that the T-statistic is larger, and the p-value ($p < 0.05$). Therefore, it can be concluded that the relationship between Family Environment and ESE is statistically significant.

The finding that the family environment has a significant influence on the Entrepreneurial Self-Efficacy (ESE) of young aspiring entrepreneurs aligns with psychological paradigms that highlight the role of the environment in shaping individuals' self-beliefs. Consistent with developmental psychology theories, the family environment is considered the initial environment that plays a key role in shaping individuals' attitudes, values, and beliefs (Belsky, 1981). The findings of this research also support previous research indicating the significant role of the family in self-efficacy (Hargrove, Creagh, & Burgess, 2002; Hall, 2003; Weiser & Riggio, 2010; Pham & Lee, 2023; Odoardi et al., 2018; Farrukh et al., 2017). Encouragement, role modeling, and resources provided by the family can be determining factors in shaping individuals' perceptions of their abilities to overcome challenges in the business world (Weiser & Riggio, 2010). Support from the family environment, both directly and indirectly,

can strengthen individuals' interest and self-confidence to pursue business opportunities and face challenges in running their ventures. Therefore, this finding underscores the importance of the family environment in shaping individuals' entrepreneurial spirit and highlights the need to support families in providing positive support and environments for young aspiring entrepreneurs to develop ESE.

H3: Entrepreneurial Interest has a significant positive effect on Entrepreneurial Self-Efficacy (ESE)

The T-statistic result for the Entrepreneurial Interest variable is 6.267. Comparing it with the critical T-table value (1.65) at a significance level of 0.05, the T-statistic is larger, with a p-value also less than this significance level ($p < 0.05$). Thus, it can be concluded that the relationship between Entrepreneurial Interest and ESE is statistically significant.

The finding that entrepreneurial interest has a significant influence on the Entrepreneurial Self-Efficacy (ESE) of young aspiring entrepreneurs is consistent with theories of motivation and entrepreneurship in psychology (Liu et al., 2019; Naktiyok et al., 2010). The concept of entrepreneurial interest highlights individuals' intrinsic drive to pursue business opportunities and develop creative ideas into successful ventures. In this context, an increase in entrepreneurial interest tends to result in an increase in individuals' self-confidence to face challenges and manage their businesses. This finding illustrates that the higher the level of entrepreneurial interest individuals possess, the stronger their ESE. This is consistent with theoretical views emphasizing the importance of intrinsic motivation in shaping individuals' self-beliefs (Schunk & DiBenedetto, 2021), as proposed by Bandura's self-efficacy theory (1982).

■ CONCLUSION

The findings of this research indicate that entrepreneurial knowledge, family environment, and entrepreneurial interest significantly influence the Entrepreneurial Self-Efficacy (ESE) of young aspiring entrepreneurs in Indonesia. These results underscore the importance of psychological and environmental factors in shaping individuals' entrepreneurial spirit. By having profound knowledge of entrepreneurship, strong support from the family environment, and high interest in entrepreneurship, young aspiring entrepreneurs tend to have higher self-confidence in facing challenges and managing business ventures. The practical implications of these findings are that efforts to promote entrepreneurship in Indonesia should consider the importance of developing supportive educational and social infrastructure, as well as creating environments that stimulate and foster entrepreneurial interest. Thus, this research makes a significant contribution to understanding the factors influencing the readiness of young aspiring entrepreneurs and provides guidance for the development of more effective policies and support programs to promote entrepreneurship in Indonesia.

Based on the findings of this study, there are several recommendations that can be implemented to enhance the readiness of young aspiring entrepreneurs in Indonesia. First, the government and educational institutions can develop educational and training programs that strengthen entrepreneurial knowledge and provide greater support for entrepreneurial interest. These policies may include integrating entrepreneurship content into formal and non-formal education curricula, as well as providing broader access to resources and networks that support entrepreneurship. Additionally, these programs should be designed to accommodate the significant role of the family environment in shaping entrepreneurial spirit by providing support

and information to families about the importance of fostering entrepreneurial interest.

For future research, it is recommended to delve deeper into the mechanisms that mediate the relationship between the factors under investigation and Entrepreneurial Self-Efficacy (ESE). In-depth qualitative research can provide more detailed insights into individuals' experiences in developing their entrepreneurship, while longitudinal research can help understand changes in ESE over time and the influencing factors. Furthermore, further research can expand the scope to consider additional variables that may affect ESE, such as social support and educational experiences. With this approach, future research can provide a more comprehensive understanding of entrepreneurial dynamics and provide more precise guidance in the development of policies and support programs in the future.

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