

## **Self Efficacy: an Approach to Interest Youth Generation Entrepreneurship**

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### **ABSTRACT**

This study aims to analyze the role of self-efficacy as an intervening variable in the interest in entrepreneurship among the younger generation. The approach examines the influence of entrepreneurial knowledge and family environment on interest in entrepreneurship. This research uses the descriptive quantitative method. The population in this study is the younger generation, represented by management students at the Faculty of Economics and Business, Universitas Muria Kudus, with a sample of 353 respondents. The sampling technique refers to the non-probability sampling technique. From the analysis using the AMOS program, the research results show that entrepreneurial knowledge has a positive and significant effect on Self-Efficacy and Interest in Entrepreneurship. Family environment has a positive and significant impact on Self-Efficacy and Interest in Entrepreneurship, Self-Efficacy has a positive and significant effect on Interest in Entrepreneurship, and Self-Efficacy can mediate the impact of entrepreneurial knowledge on entrepreneurial interest. Self-Efficacy cannot be a mediating variable on the influence of the family environment on interest in entrepreneurship.

**Keywords:** Self efficacy, Approach Interest.

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### INTRODUCTION

Unemployment is a problem in almost every country, even Indonesia. Especially in 2020, Indonesia was hit by the coronavirus pandemic (Covid 19). This condition caused the economy to be paralyzed and many employees were laid off. All activities outside the home are restricted, starting from school which is conducted from home, worship from home, even working from home and it is not uncommon for many layoffs to occur and in the end, many people are unemployed. Job applicants from various criteria and even fresh graduates also find it difficult to get the job they want because companies are more selective in selecting job applicants to become employees, in fact only a few meet the criteria and are accepted at the company (Fitriyatul, et al, 2021). The younger generation needs to change their perspective to become employees after graduating from college and become entrepreneurs. The hope of being accepted into the world of work is of course not a mistake. Still, it cannot be denied that job opportunities are very limited and not directly proportional to the number of graduates from higher education institutions. Besides that, The government is also expected to make efforts through educational policies to change the paradigm so that students are more prepared for entrepreneurship and graduates do not only focus on being employees.

The comfort zone paradigm of the younger generation appears in the choice of work to become an employee or employee. Guarantees and easier choices characterize this to meet their needs than starting a new business or entrepreneurship with risks that must be faced. This comfort zone makes the younger generation's interest in entrepreneurship low. Seeing the reality that is being faced, it is necessary to have a direction for forming the younger generation as individuals who can create jobs, no longer as job seekers, namely by entrepreneurship. One way to foster entrepreneurial awareness is to foster an interest in entrepreneurship. Young people interested in themselves will be encouraged to take knowledge related to entrepreneurship more seriously (Qurotul Aini and Farah, 2020). Entrepreneurial motivation in the form of encouragement or support directed at achieving goals in entrepreneurship, such as goals that involve recognizing and exploiting business opportunities. Mustofa (2014) stated that interest in entrepreneurship focuses on entrepreneurship because of a sense of liking, balanced with a sense of wanting to learn, know and further prove entrepreneurship. Unemployment is a labor problem that is in the spotlight in various countries. This is due to an imbalance between the number of workers and available job opportunities. Where there is an increasing number of the labor force but on the other hand the availability of job opportunities is very small. So it impacts problems such as poverty, crime, and social inequality.

The real condition in the field is that the number of entrepreneurs in Indonesia who come from young people such as students is still relatively low. Even though it is clear that every year the number of school and college graduates is increasing. This clearly shows the increasing number of unemployed in Indonesia, coupled with the number of jobs that are not increasing. Based on the latest data from the Indonesian State Statistics Center in August 2021, as many as 6.49% are equivalent to 9.1 million Indonesians who have the title of "unemployed". The male open unemployment rate was 6.74%, higher than the female open unemployment rate of 6.11% ([www.bps.go.id](http://www.bps.go.id)).

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**METHOD**

This research design uses descriptive and quantitative research methods. The descriptive research method determines the existence of independent variables, either one or more (Sugiyono, 2016: 53). Quantitative research methods refer to the positive philosophical foundation used to examine certain populations and samples. Use data collection and research instruments, and proceed with conducting quantitative data analysis tests on hypotheses that are has been established. This study uses the analytical method chosen to analyze the data using SEM (structural equation model), operated through the AMOS program (Ghozali, 2017).

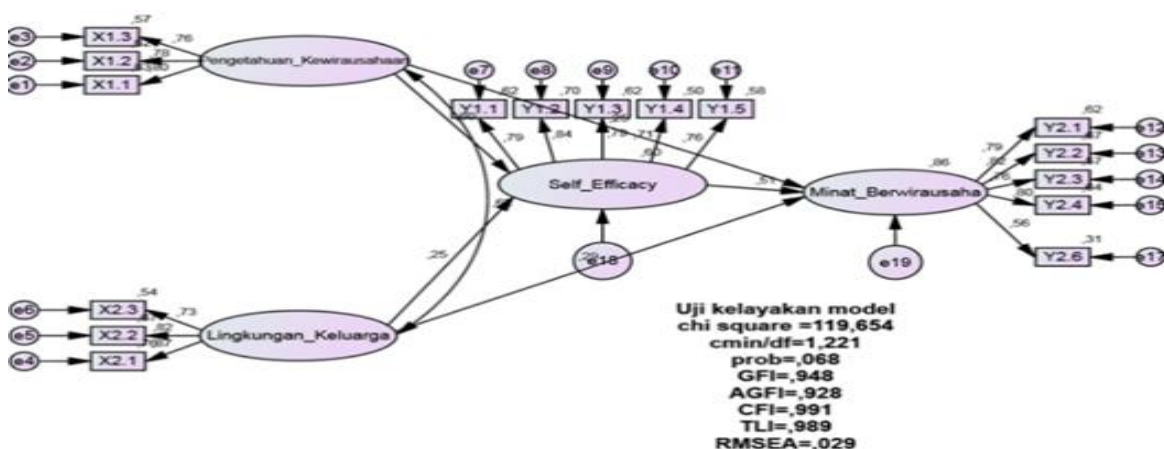
**RESULT AND DISCUSSION**

The calculation results obtained a chi-square value of 119,654 with a probability of 0.068, a CMIN/ DF value of 1.221, an AGFI value of 0.928, a CFI value of 0.991, a TLI value of 0.989 and an RMSEA value of 0.029 which indicates that this model fit test produces a good acceptance. good. It can be concluded that indicators are dimensions or references for acceptable constructs, so the sixteen indicators actually form the full model variable as shown in table 1 and figure 1.

**Table 1.** Test the Goodness Of Fit Model

Goodness Of Index	Cut-Off Value	Model Results	Note
Chi-Square	294.899	119.654	Good
Probability	≥ 0,05	0.068	Good
CMIN/DF	≤ 2	1.221	Good
AGFI	≥ 0,90	0.928	Good
CFI	≥ 0,95	0.991	Good
TLI	≥ 0,95	0.989	Good
RMSEA	≤ 0,08	0,029	Good

Source: Processed primary data, 2023



**Figure 1.** Full Model Testing

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Hypothesis testing is carried out to determine whether there is an influence of exogenous variables on endogenous variables. The hypothesis is declared accepted if the probability value (P) < 0.05 and the critical ratio value (CR) > t-table (CR) > 1.657 The results of hypothesis testing can be seen in table 2.

**Table 2.** Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Self_Efficacy	<---	Entrepreneurship_Knowledge	0,543	0,076	7,116	***	par_13
Self_Efficacy	<---	Family_Environment	0,209	0,063	3,306	***	par_14
Entrepreneurial_Interest	<---	Entrepreneurship_Knowledge	0,247	0,075	3,306	***	par_15
Entrepreneurial_Interest	<---	Family_Environment	0,262	0,053	4,908	***	par_16
Entrepreneurial_Interest	<---	Self_Efficacy	0,555	0,085	6,538	***	par_17

**Source:** Processed primary data, 2023

1. The Effect of Entrepreneurial Knowledge on Self-Efficacy Based on the results of data processing, the value of P (Probability) is 0.000 < 0.05. This value can show results that meet the requirements, namely P is less than 0.05 so H1 in this study is accepted. It can be concluded that Entrepreneurial Knowledge positively and significantly affects Self Efficacy.
2. The influence of the family environment on self-efficacy  
Based on the results of data processing it is known that the value of P (Probability) is 0.000 < 0.05. This value can show results that meet the requirements, namely P less than 0.05 so H2 in this study is accepted. It can be concluded that the family environment positively and significantly affects self-efficacy.
3. The Effect of Entrepreneurship Knowledge on Entrepreneurial Interests  
Based on the results of data processing it is known that the value of P (Probability) is 0.000 < 0.05. This value can show results that meet the requirements, namely P less than 0.05 and CR > 1.657 so H3 in this study is accepted. It can be concluded that Entrepreneurship Knowledge on Entrepreneurial Interest has a positive and significant effect.
4. Influence of the Family Environment on Interest in Entrepreneurship  
Based on the data processing results, it is known that P (Probability) value is 0.000 < 0.05. This value can show results that meet the requirements, namely P less than 0.05 so that H4 in this study is accepted. It can be concluded that the Family Environment on Entrepreneurial Interest has a positive and significant effect.
5. The Effect of Self Efficacy on Interest in Entrepreneurship  
Based on the results of data processing, it is known that the P (Probability) value is 0.000 < 0.05. This value can show results that meet the requirements, namely P less than 0.05 so that H4 in this study is accepted. It can be concluded that Self Efficacy on Interest in Entrepreneurship has a positive and significant effect.

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**Tabel 3.** Indirect and Total Effect

			<b>Direct Effect</b>	<b>Indirect Effect</b>	<b>Total Effect</b>
Entrepreneurial_Interest	<---	Self_Efficacy	0,511		
Entrepreneurial_Interest	<---	Entrepreneurship_Knowledge	0,249	0,304	Self-efficacy can be a mediating variable
Entrepreneurial_Interest	<---	Family_Environment	0,285	0,127	Self-efficacy can't be a mediating variable

**Source :** Primary data processed, 2023

Based on table 3 it can be explained that the entrepreneurial knowledge variable has a direct effect of 0.249 and an indirect effect of 0.304 with a total effect of 0.553. The indirect effect value is greater than the direct effect value. The mediation test decision that can be taken is that Self Efficacy can be a variable mediating the relationship between Entrepreneurial Knowledge and interest in entrepreneurship. The family environment variable has a direct effect value of 0.285 and an indirect effect of 0.127 with a total effect of 0.412, the direct effect value is greater than the indirect effect value. The mediation test decision can be taken is that Self Efficacy cannot be a mediating variable for the relationship between the family environment and interest in entrepreneurship.

**DISCUSSION**

**Explanation of Discussion 1**

The calculation results show that entrepreneurial knowledge has a positive and significant effect on self-efficacy, meaning that the deeper the entrepreneurial knowledge possessed by the younger generation, the higher the Self-Efficacy of the younger generation. Kuntowicaksono (2012: 47) said that entrepreneurial knowledge can shape the mindset, attitude and behavior to become a true entrepreneur to direct the younger generation to choose entrepreneurship as a career choice. A person's understanding of entrepreneurship with various positive, creative and innovative characters in developing business opportunities into business opportunities that benefit themselves and society or consumers. Entrepreneurship knowledge obtained by students from the learning process and other sources is expected to provide an overview and provision regarding entrepreneurship, which can later be used as material for determining the future. The results of this study align with those conducted by Anriani et al (2020) which stated that entrepreneurial knowledge and self-efficacy have a positive and significant influence.

**Explanation of Discussion 2**

The calculation results show that the family environment has a positive and significant effect on self- efficacy, meaning that more and more support from the family environment can increase the self- efficacy of the younger generation. Buchari (2011: 11) says one of the factors that encourage interest in entrepreneurship is sociological factors. The family environment, especially parents, plays an important role in the development and growth of children. Parents or family are the foundation for preparing children to become effective workers in the future. Interest in becoming an entrepreneur is formed when the

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family supports entrepreneurial interest in the younger generation. There is an influence from parents who work alone and have their own business to tend for their children to become entrepreneurs too. This research is in line with Ika Indriyani & Subowo (2019) which states that the family environment has a positive and significant effect on self-efficacy.

**Explanation of Discussion 3**

The results of the calculations show that entrepreneurial knowledge has a positive and significant effect on the interest in entrepreneurship, meaning that the deeper entrepreneurship knowledge possessed by the younger generation can increase interest in entrepreneurship. Entrepreneurial interest is defined as the tendency of the heart in the subject to be interested in creating a business which then organizes (Buchari, 2013: 136), manages to take risks and develop the business it creates. High entrepreneurial knowledge will increase a person's interest in entrepreneurship, because the more knowledge about entrepreneurship, the higher the motivation from within a person to do entrepreneurship. According to Tio Prasetyo's research (2020), entrepreneurial knowledge has a positive effect and significantly to the interest in entrepreneurship.

**Explanation of Discussion 4**

The analysis results show that the family environment has a positive and significant effect on the interest in entrepreneurship, meaning that more and more support from the family environment can increase interest in entrepreneurship. Buchari (2011: 11) says that one of the factors that encourages interest in entrepreneurship is the relationship with the family. The family environment, especially parents, plays an important role in shaping children's attitudes. The tendency of the work of parents will be an encouragement for children. Children who live in an entrepreneur family environment will receive knowledge in the early days to form attitudes and perceptions regarding confidence in entrepreneurial abilities (Buchari, 2011: 8). Aini & Oktavani (2020) stated the results that the family environment has a positive and significant effect on interest in entrepreneurship.

**Explanation of Discussion 5**

The analysis results show a positive and significant influence between Self Efficacy and the interest in entrepreneurship, meaning that the higher the Self Efficacy possessed by the younger generation can increase interest in entrepreneurship. Confidence (Self-efficacy) is an individual's belief in his ability to complete tasks and obstacles that are being faced, so that he can achieve the expected goals (Susanto, 2018: 285). When this self-confidence has grown, an individual will be more interested in new things, entrepreneurship is no exception. Self-efficacy can affect the interest in entrepreneurship because starting a business requires confidence that the business will be successful. High self-efficacy can convince individuals that they can do something potentially. Research by Munawar and Suryana (2020) states that self-efficacy results positively and significantly affect interest in entrepreneurship.

**Explanation of Discussion 6**

The knowledge variable has an indirect effect value greater than the direct effect value. The mediation test decision that can be taken is that Self Efficacy can be a mediating variable between entrepreneurial knowledge and entrepreneurial interest. The results of this study are not in line with Sudjarwo et al (2019) research that self- efficacy cannot mediate entrepreneurial knowledge on entrepreneurial interest. Ika and Subowo (2019) show a positive effect of entrepreneurial knowledge on interest in entrepreneurship through self-

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efficacy, meaning that entrepreneurial knowledge directly affects interest in entrepreneurship or indirectly through self-efficacy. The mediating variable, self-efficacy, can mediate the effect of entrepreneurial knowledge on entrepreneurial interest.

### **Explanation of Discussion 7**

The family environment variable has a direct effect value greater than the indirect effect value. The mediation test decision that can be taken is that Self Efficacy cannot be a variable mediating the influence of the family environment on the interest in entrepreneurship. This study's results align with research by Agustin & Trisnawati (2021) showing that self-efficacy mediates the influence of the family environment on interest in entrepreneurship.

### **IMPLICATIONS**

Entrepreneurial knowledge influences Self Efficacy and Interest in Entrepreneurship in the younger generation. The lowest indicator of entrepreneurial knowledge is knowledge of business management and organization. Therefore there is a need for workshops and outreach regarding the ins and outs of organizational management and governance. The family environment has an influence on Self Efficacy and interest in entrepreneurship. Self-Efficacy also influences the interest in entrepreneurship in the younger generation. This condition implies that it is necessary to instill motivation in the younger generation to form the mindset that entrepreneurship is interesting and challenging. For further research, other variables that influence interest in entrepreneurship and self-efficacy can be added, such as entrepreneurial motivation variables (Aini & Oktavani, 2020), use of social media (Prasetio, 2020), independent attitudes (Hendrawan and Sirine, 2017).

### **CONCLUSION**

1. Entrepreneurship Knowledge has positive and significant effects Self Efficacy in the younger generation. The deeper the entrepreneurial knowledge possessed by the younger generation, the more self-efficacy it will be able to increase.
2. The family environment has positive and significant effects Self Efficacy in the younger generation. The more support the family environment will be able to increase Self Efficacy.
3. Entrepreneurial knowledge has a positive and significant effect on the interest in entrepreneurship in the younger generation. The deeper the entrepreneurial knowledge possessed by the younger generation, the more interested in entrepreneurship will be.
4. The family environment has a positive and significant effect on the interest in entrepreneurship in the younger generation. The more support from the family environment, it will be able to increase interest in entrepreneurship.
5. Self Efficacy has a positive and significant effect on Entrepreneurial Interests in the younger generation.
6. Self Efficacy can mediate the influence between entrepreneurial knowledge on Entrepreneurial Interests in the younger generation.
7. Self Efficacy cannot mediate the influence of the family environment on the interest in entrepreneurship in the younger generation.

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