

The Role of Self Efficacy, Risk Tolerance and Entrepreneurial Education on Entrepreneurial Intention of University Students During Digital Transformation Era

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Abstract - *The purpose of this study was to analyze the effect of self-efficacy on student entrepreneurial intention, the effect of risk tolerance on student entrepreneurial intention, the effect of entrepreneurial education on student entrepreneurial intention, the effect of entrepreneurial education on student self-efficacy, the effect of risk tolerance on student self-efficacy. This research method is quantitative. survey, research data were obtained by distributing online questionnaires to 340 students who were determined through simple random sampling, the questionnaire was designed using a Likert scale of 7. Data analysis used structural equation modeling (SEM) with SmartPLS 3.0 software tools. The stages of data analysis are validity, reliability and significance tests. The results of this study indicate that there is a positive and significant influence between self-efficacy on student entrepreneurial intention, there is a positive and significant effect between risk tolerance on student entrepreneurial intention, there is a positive and significant influence between entrepreneurial education on student entrepreneurial intention, there is a positive and significant effect between entrepreneurial education on student self-efficacy, there is a positive and significant effect between risk tolerance on student self-efficacy.*

Keywords: *Self Efficacy, Risk Tolerance, Entrepreneurial Education, Entrepreneurial Intention, University Students Digital Transformation Era*

I. INTRODUCTION

According to Abbassi et al. (2019);Barbosa et al. (2007) In the era of the industrial revolution, the open unemployment rate in Indonesia is still fluctuating, from 2021 to 2022 the unemployment rate will increase. This means that because not all educated people have not been able to create new jobs. If there is no change in the mindset of the educated in Indonesia, then the number of unemployed in the following year will increase. The current phenomenon is that job opportunities are becoming increasingly narrow, while people who need work continue to increase. Unemployment is not the result of a choice not to work, but the result of the increasing difficulty of getting a job, especially in big cities. According to Faisal et al. (2021); Fahmi et al. (2019) Scholars themselves prefer to become employees of a company, rather than entrepreneurship. Scholars should open up new jobs and increase the number of job opportunities for the wider community, not being company employees. Universities are expected to produce graduates who are able to fill jobs. Entrepreneurship is the right and logical choice, because in addition to a greater chance of success, this is in line with the government's program to accelerate the creation of small and medium entrepreneurs who are strong and rely on science and technology.

According to Abbassi et al. (2019); Fahmi et al. (2019) stated that educated people do not dare to take risks in entrepreneurship to open new jobs, whereas according to entrepreneurship it is important because it can increase economic efficiency, there are new innovations, create new jobs, and increase job opportunities. The entrepreneur's role is to recognize the idea as a potential and an opportunity to start a business. Currently, all universities in Indonesia have included entrepreneurship courses in their curriculum as one of the main subjects that all students must take. Entrepreneurial education does not only provide a theoretical basis for the concept of entrepreneurship but shapes the attitude, behavior and mindset of an entrepreneur. It is an investment in human capital to prepare students to start new businesses through the integration of experience, skills and knowledge essential to developing and expanding a business. In line with Bullough et al. (2014); Fahmi et al. (2019) states that cultivating the entrepreneurial spirit of college students is believed to be an alternative to reducing unemployment rates, because graduates are expected to become educated young entrepreneurs who are able to start their own businesses because the business world today and in the future relies more on knowledge and

intellectual capital, so in order to become a nation's competitiveness, the development of young entrepreneurs needs to be directed at educated youth groups.

The important role of human resources makes business people compete to find human resources to increase business competition to gain profits and achieve their goals. If the company wants good performance, employee performance is also very necessary and considered. Addressing the problem of increasing the company's workforce needs to pay attention to self-efficacy. The factor that drives employee performance is to measure self-efficacy in order to believe in one's ability to carry out actions taken for optimal achievement. Self-efficacy affects innovation, rewards are given to employees if managers will be satisfied with the abilities of their employees. If innovation is high, it will provide good self-efficacy and will result in good performance. Self-efficacy is a person's belief in his work to complete tasks in the right time. Self-efficacy is a positive behavior for company goals, employees with good self-efficacy are not emotional assistance, while employees who have poor self-efficacy are only worried about the problem that their work will fail.

According to Muliati et al. (2022) entrepreneurial education is defined as a whole series of educational and training activities within the education system or not, which try to develop an interest in each individual to engage in entrepreneurial behavior, or several factors that influence interest, such as knowledge, entrepreneurship, desire for entrepreneurial activity, or eligibility to entrepreneurship. Entrepreneurial education in this study is defined as an educational program that is a source of entrepreneurial attitude and overall interest in becoming a successful entrepreneur in the future. Entrepreneurial education focuses on preparing business plans, how to get financing, business development processes and small business management. Tolerance Internal factors that can encourage one's entrepreneurial intention include risk tolerance, self-success, freedom at work, and the family environment. One of the characteristics of an entrepreneur is the courage to take risks and like challenges and have high initiative. The tendency in risk tolerance is one of the traits or characteristics that exist in entrepreneurship. According to Faizhal et al. (2020); Garaika et al. (2019) risk tolerance as an integral part of entrepreneurship. Self Efficacy In social cognitive theory, one of the most important internal or personal factors is self-confidence or self-efficacy influencing and being influenced by each other so that students continue to the next level of education according to their choice and their hopes of success in getting a job after graduation. Someone who chooses to be an entrepreneur as their choice, has certain perceptions about the level of attractiveness of an entrepreneurial career, the level of entrepreneurial feasibility and confidence in self-efficacy to start a business. Meanwhile, according to Mujiadi (2003) self-efficacy is a personal factor that becomes an intermediary or mediator in the interaction between behavioral factors and environmental factors. Entrepreneurial Intention is a person's self-motivation, willingness to exert effort, and willingness to try hard which will be reflected in behavior. According to Faizhal et al. (2020); Muliati et al. (2022) said that interest is a person's position in the subjective probability dimension which involves a relationship between himself and several actions. Intention is a motivational factor that influences behavior. Entrepreneurial intention or entrepreneurial interest can be interpreted as the first step in a process of establishing a business which is generally long-term in nature.

Entrepreneurial education is an important factor in growing and developing the desire, spirit and entrepreneurial behavior among the younger generation because education is a source of overall attitude and interest in becoming successful entrepreneurs in the future. Several studies on entrepreneurial intentions in college students show the role of several factors that influence entrepreneurial intentions besides education, namely risk tolerance and self-efficacy, saying that risk tolerance, self-success in entrepreneurship and freedom in work have a positive influence on entrepreneurial intentions. Supported by the statement of Hisrich, et al., (2008) entrepreneurial intention is related to a behavior that includes initiative, the ability to manage resources, both human resources and natural resources in various situations to create profits and dare to take risks. Meanwhile, self-efficacy is able to build a motivation that will influence one's choice of activities, goals, persistence, and performance in various contexts. Someone who dares to take risks and has high self-efficacy is one of the characteristics of a successful entrepreneur. The courage to take risks and dare to face obstacles as a consequence of the things that are done and if it fails the individual does not look for reasons from the obstacles or obstacles encountered. An interest is needed for the first step in starting an entrepreneur. Interest is a person's certain desire to do something or some action, it is the result of a conscious mind that directs one's behavior. According to Remeikiene et al. (2013); Samydevan et al. (2015) entrepreneurial intention is defined as a tendency of an individual's desire to take entrepreneurial action by creating new products through business opportunities and taking risks. Entrepreneurial activity is largely determined by the individual's own interests. People don't suddenly become entrepreneurs without some trigger. This research is focused on knowing the factors that influence the interest in entrepreneurship.

II. METHOD

This research method is a quantitative survey, the research data was obtained by distributing online questionnaires to 340 students who were determined through simple random sampling, the questionnaire was designed using a Likert scale of 7. Data analysis used structural equation modeling (SEM) with SmartPLS 3.0 software tools. The stages of data analysis are validity, reliability and significance tests.

The hypothesis in this study is below:

- H1: The effect of self-efficacy on students' entrepreneurial intention
- H2: Effect of risk tolerance on students' entrepreneurial intention
- H3: The effect of entrepreneurial education on students' entrepreneurial intention
- H4: The effect of entrepreneurial education on student self-efficacy
- H5: Effect of risk tolerance on student self-efficacy

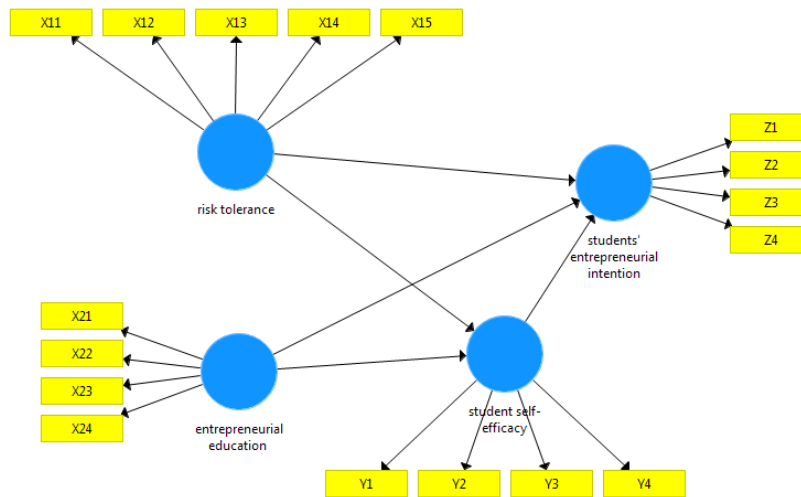


Fig 1 Research Model

III. RESULT AND DISCUSSION

Validity and reliability testing

This indicates that the indicators in the instrument are a unit of measuring instrument that provides a measure of the same construct and at the same time can provide predictions of what should be predicted.

Table 1. Reliability Testing

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
self-efficacy	0.834	0.827	0.743	0.608
students' entrepreneurial intention	0.865	0.858	0.843	0.613
entrepreneurial education	0.838	0.921	0.865	0.648
risk tolerance	0.824	0.809	0.898	0.676

Table 1. shows the results of the reliability test with the Cronbach's alpha value for each variable, which can be said to be valid or reliable. A variable can be said to be valid or reliable if the Cronbach's alpha value is ≥ 0.6 . It can be concluded that the answers given by each respondent to the statements in the chain transformational leadership variable consistent supply chain innovation performance and satisfaction with supply chain results helps each indicator to measure the concept it measures.

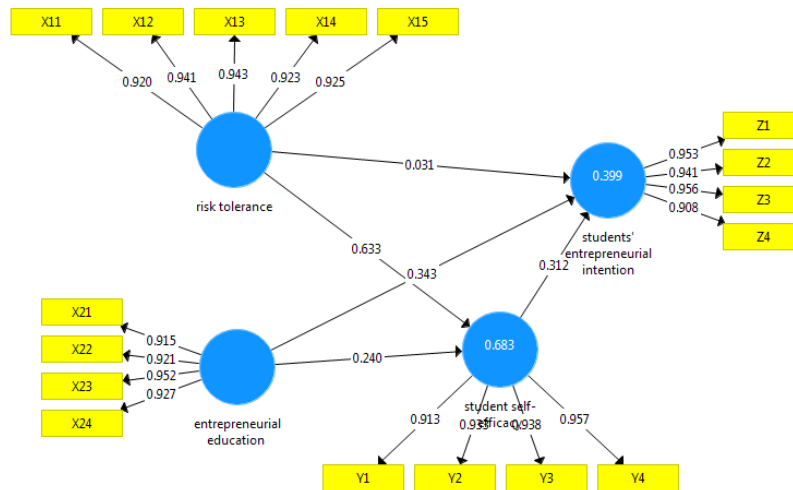


Fig 1. Validity and reliability testing

Hypothesis Testing

Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be declared accepted if the P-Values <0.05

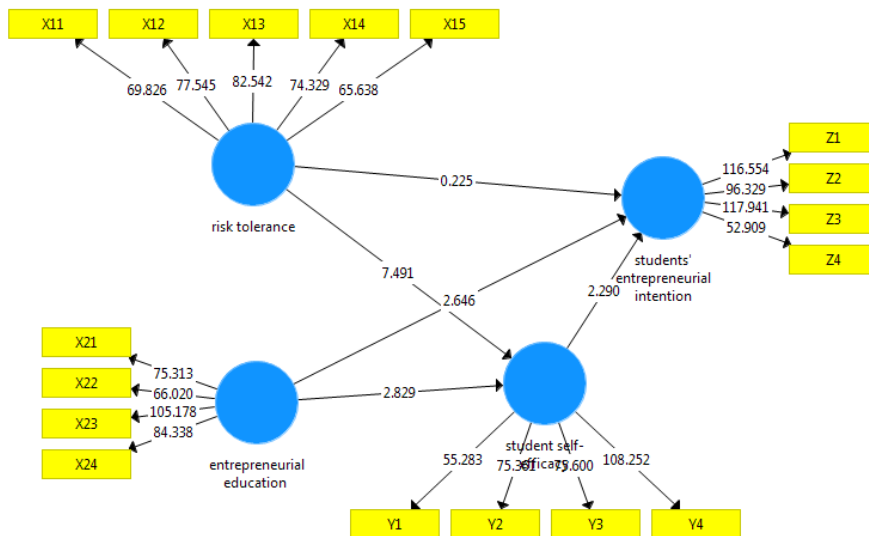


Fig 3. Hypothesis Testing

Hypothesis Testing

Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be declared accepted if the P-Values <0.05

Table 3. Hypothesis testing

Hypothesis	T Statistics	P Values	Result
self-efficacy on students' entrepreneurial intention	2.290	0.000	Supported
risk tolerance on students' entrepreneurial intention	2.225	0.000	Supported
entrepreneurial education on students' entrepreneurial intention	2.646	0.000	Supported
entrepreneurial education on student self-efficacy	2.829	0.000	Supported
risk tolerance on student self-efficacy	7.491	0.000	Supported

H1: The effect of self-efficacy on students' entrepreneurial intention

Self-efficacy affects students' entrepreneurial intention. According to Oyugi et al. (2015); Purwanto (2022); Singgih et al. (2020) explained that the higher the self-efficacy level of students in entrepreneurship in the early days of a person's career, the stronger the entrepreneurial intention they have. Furthermore, this research is supported by the research of Sunarsi et al. (2022); Singgih et al. (2020) which shows that the self-efficacy variable has a positive and significant effect on entrepreneurial intention.

H2: Effect of risk tolerance on students' entrepreneurial intention

Risk tolerance affects students' entrepreneurial intentions. Barbosa et al., (2007) stated that individuals with high risk-taking courage have higher entrepreneurial intentions. According to Singgih et al. (2020) stated that the tendency to take risks and the independence of the family shows a great intention for them to start their own business. According to Nuryanti et al. (2020); Nugroho et al. (2020); Singgih et al. (2020) explained that tolerance for risk has a positive effect on student entrepreneurship intentions.

H3: The effect of entrepreneurial education on students' entrepreneurial intention

Entrepreneurial education influences students' entrepreneurial intention. This is supported by research conducted by According to Remeikiene et al. (2013) that entrepreneurial education has a significant influence on students' entrepreneurial intentions. The study suggests that this condition is caused by entrepreneurial intentions not necessarily owned by every individual, unless the individual has an internal intention to do entrepreneurship. Remeikiene et al. (2013); Wu et al. (2022); Samydevan et al. (2015) shows that entrepreneurial education and entrepreneurial intention have a significant relationship.

H4: The effect of entrepreneurial education on student self-efficacy

Entrepreneurial education influences student self-efficacy. According to Oyugi et al. (2015); Purwanto (2022); Sunarsi et al. (2022); Singgih et al. (2020) states that entrepreneurship education/learning in students influences student entrepreneurial self-efficacy (ESE). This shows that entrepreneurship education is very important for students in increasing self-confidence/ability to become an entrepreneur. Education will shape entrepreneurship by increasing knowledge about business and forming psychological attributions such as self-confidence, self-esteem and self-efficacy. According to Purwanto (2022); Sunarsi et al. (2022); Singgih et al. (2020) Entrepreneurship education on campus aims to develop academic potential and student personality, master science and technology, according to needs and developments in the world of work

H5: Effect of risk tolerance on student self-efficacy

Risk tolerance affects student self-efficacy. The test results from this study are in line with the results of research conducted by Oyugi et al. (2015); Purwanto (2022); Sunarsi et al. (2022); Singgih et al. (2020) stated that business executives who have high self-efficacy will see different opportunities and threats and will take more risks.

IV. CONCLUSION

Based on the analysis and discussion that has been done in the previous chapter, it can be concluded that entrepreneurial education influences students' entrepreneurial intentions. This shows that entrepreneurial intentions are not necessarily influenced by entrepreneurship education, unless the individual has an internal intention to do entrepreneurship. The entrepreneurial education variable influences student self-efficacy. This shows that entrepreneurship education is very important for students in increasing self-confidence for entrepreneurship. Education will shape students to become entrepreneurs by increasing knowledge about business and forming psychological attributions such as self-confidence, self-esteem and self-efficacy. The risk tolerance variable affects students' entrepreneurial intentions. This shows that the tendency to take risks and the independence of an individual shows a great intention to start entrepreneurship. The risk tolerance variable influences student self-efficacy. This shows that students who have high self-efficacy will see different opportunities and threats and will take more risks in making decisions for entrepreneurship. The self-efficacy variable influences entrepreneurial intention. This explains that the higher the level of self-efficacy in students in the early days of a career, the stronger the entrepreneurial intention they have. Students already have high self-confidence, so they have a serious intention to become entrepreneurs.

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