



**The Role of Entrepreneurial Knowledge, Family Environment
in Encouraging the Formation of Entrepreneurial Self-Efficacy
of Prospective Indonesian Young Entrepreneurs**

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INFO ARTIKEL

Abstract

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This research aims to explore the relationship between entrepreneurial knowledge, family environment, in forming entrepreneurial self-efficacy in prospective young entrepreneurs in Indonesia. In the context of globalization and rapid economic development, entrepreneurship has become an important pillar in a country's economic development. However, efforts to promote the spirit of entrepreneurship among the younger generation require a deeper understanding of the factors that influence entrepreneurial self-formation, especially in the Indonesian environment which is rich in culture and family traditions. It is hoped that the results of this research will provide a better view of entrepreneurial knowledge and the family environment in the context of entrepreneurial self-formation in Indonesia's young generation. The future research agenda resulting from this research can help the government, educational institutions and related parties in developing educational programs and policies that support entrepreneurship development in Indonesia based on strong scientific evidence

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Introduction

Self-efficacy in the context of entrepreneurship has become a topic of considerable research for study. Several studies have been conducted to understand the role of self-efficacy in influencing entrepreneurial performance and success. Research on self-efficacy is aimed at understanding the psychological factors that influence entrepreneurial performance and success. Previously, most

research on the entrepreneurial context tended to focus on economic and structural factors, such as start-up capital and access to markets.

Self-efficacy is an individual's belief in their ability to achieve desired goals and overcome challenges. Self-efficacy is associated with a variety of positive outcomes, such as better mental health, higher motivation, and better academic achievement. The family environment has been identified as one of the factors that can influence the development of self-efficacy. Previous research shows that a positive family environment, parental support, and positive role models can help increase self-efficacy in children and adolescents. Self-efficacy is one of the psychological factors that drives entrepreneurs to achieve business success. Therefore, research to bring out self-ability is important to carry out and develop (Indriyani, 2017). In this case, the family environment has a role in influencing the formation of self-efficacy in entrepreneurs, especially young entrepreneurs.

The family environment is the first and main environment in educating children. Then the family environment also influences students' entrepreneurial interest. Family is a place where someone carries out their main activities. According to Asep (2021), the family environment influences a person's entrepreneurial interest. This is in line with research conducted by Bambang Eko (2020) that the family environment influences students' entrepreneurial interest. Furthermore, Anggarwal's (2020) research stated that family support has a significant effect on self-efficacy which in turn has a significant effect on secondary school students' entrepreneurial interest.

Innovation is identified as an important factor in advancing the economic development of a country or region. However, what is of concern is the increasing complexity of driving innovation in a knowledge-based environment. According to Ács et al. (2017) and Carayannis et al. (2017) highlight that innovation processes have become more complex and may involve a wider range of factors than before. In addition, innovation approaches have evolved, especially with innovation ecosystems involving collaborative involvement between universities, research institutions, industry and government. Research mentioned in the citation, such as the work of Khandelwal et al. (2020) and the "triple helix" concept proposed by Etzkowitz and Leydesdorff (1995, 1998, 2000), perhaps underscoring the importance of this cooperation in expanding and enriching environmental innovation. Knowledge enables entrepreneurs to identify innovation opportunities. With a deep understanding of a field, they can find gaps or unmet needs in the market and develop innovative solutions.

Entrepreneurship education has proven to be an important foundation for individuals in developing the skills necessary to navigate business challenges and build confidence in taking risks. These programs provide not only theoretical knowledge, but also essential practical experience in business design, development and marketing. Through applying these concepts to real-world situations, students gain valuable experience that strengthens their self-efficacy in dealing with complex business environments. In the global scope, entrepreneurship education has the potential to be a relevant solution for reducing poverty levels and triggering economic growth. Therefore, research exploring the relationship between entrepreneurship education and increased self-efficacy may provide important insights. This can help in assessing the effectiveness of existing entrepreneurship programs and in developing future programs that are more sophisticated and targeted.

Self Efficacy

Entrepreneurial self-efficacy is assessed as the main predictor of entrepreneurial interest. It can be said that the magnitude of the influence of entrepreneurial efficacy on entrepreneurial intention determines a person's decision to become an entrepreneur (Boyd & Vozikis, 1994; Pihie & Bagheri, 2011; Zhao, Seibert & Hills, 2005). Increased self-efficacy is associated with increases in the level and substance of personal aspirations, individual goals, and their decisions (Bandura et al., 2001). Self-efficacy also plays a role in risk taking as a strategy (Krueger and Dickson, 1994). In addition, self-efficacy functions as a crucial motivational attribute in the entrepreneurial process because it helps individuals deal with conditions of ambiguity in business situations that often require effort, perseverance, and careful planning (Ali, 2013; Bandura, 1997; McGee et al., 2009; Miranda et al., 2017; Sesen, 2013; Setiawan, 2014).

Self-efficacy is the belief that a person has sufficient ability and ability to excel in what he decides or wants to achieve (Bandura, 1997). Baron (2004) describes self-efficacy as "belief in one's ability to gather and apply the resources, skills, and competencies necessary to achieve a level of achievement" (p. 4). Thus, self-efficacy can be described as the confidence and belief that a person has in their ability and capacity to carry out certain activities successfully. There are opposing views on how self-efficacy is developed. One school of thought believes that self-efficacy is an innate feature of entrepreneurship that cannot be learned or developed through education

Entrepreneurial self-efficacy is mentioned in entrepreneurship research for self-efficacy (DeNoble, 1999). The indicators are complete by (Barbosa, Gerhardt & Kickul, 2007) and then used for MBA students and new entrepreneurs in entrepreneurship research. According to (Bandura, 1986), self-efficacy is determined by vicarious experience, enactive mastery, social persuasion, psychological states, which are assessed comparatively with the development of the Theory of Planned Behavior (Ajzen, 2005), where background factors play a role in encouraging entrepreneurial intentions, through entrepreneurial self-efficacy including personality, learning and environmental factors. Based on the theory and concept of development, environmental acceptability, entrepreneurial learning and risk propensity, instrumental readiness plays a role in developing entrepreneurial intentions through entrepreneurial self-efficacy. In summary, despite previous research on entrepreneurial intentions and behavior, there is still a lack of understanding of student entrepreneurship.

Entrepreneur Knowledge

Entrepreneurship education in higher education institutions has been proven to improve students' basic competencies in entrepreneurship. Entrepreneurship education is considered as a process that improves entrepreneurial skills among students (Bae et al., 2014). This skill is essential to help students identify business opportunities, especially for those who have no experience in the business world. Through entrepreneurship education, a person can improve their ability to recognize opportunities, collect and manage the necessary resources, and reduce fear of taking risks (Jones and English, 2004). Entrepreneurship education methods provide knowledge of marketing, accounting, management, information technology, and various other skills that support the identification of opportunities and action based on these opportunities (Jones and English, 2004). Studies show that entrepreneurship education can increase their

opportunities to become entrepreneurs (Hynes, 1996). The importance of entrepreneurship education is reflected in the literature due to the increasing demand from students to acquire more skills which are expected to increase employment opportunities in society (Kourilsky, 1995). The main goal of entrepreneurship education is to prepare students with the tools and competencies necessary to increase the likelihood of success in their business world (Kim and Park, 2019). Entrepreneurial Knowledge, is a measure of how well a person acts in recognizing potential opportunities in an entrepreneurial context (Shane, 2000) and learning how to face new tasks and challenges in the business environment (Shepherd et al., 2000). Thus, Entrepreneurial Knowledge becomes an important foundation in the analytical and conceptual understanding needed to identify and act on opportunities in entrepreneurship (Politis, 2005; Roxas et al., 2009).

The importance of developing Entrepreneurial Knowledge contributes to success in managing business activities through the accumulation of knowledge, skills, learning and other abilities (Rae and Carswell, 2000). As confirmed by the views of Minniti and Naude (2010), entrepreneurship is a form of continuous learning. Therefore, to be able to recognize and understand entrepreneurship, understanding learning or Entrepreneurial Knowledge is very important. Entrepreneurial Self-Efficacy (WESE) can be made possible through the development of ENK as well as through aspects of entrepreneurship education (Puni et al., 2018). According to Widding (2005), Entrepreneurial Knowledge builds individual experience in managing entrepreneurial tasks and in overcoming business challenges which ultimately helps in the development and implementation of entrepreneurial behavior (Bae et al., 2014).

Family environment

Parents have a role in an individual's likelihood of becoming self-employed, highlighting the relevance of parental attitudes (e.g. Georgescu and Herman, 2020 ; Chlosta et al ., 2012). Considering this, it is important to explore parents' personal attitudes towards children's entrepreneurship, extending the TPB model to better understand this important variable. The influence of the family on a child's success is very significant. Factors that are considered in this context include parents' educational patterns, relationship dynamics between family members, home atmosphere, family economic conditions, parents' understanding of children's needs, and cultural background. Parents have a crucial role in shaping their children's success (Siregar & Marwan, 2020). For example, the behavior of parents who pay little attention to their children's education can be a serious obstacle. This is reflected in their ignorance of children's learning processes, lack of attention to children's interests and learning needs, unavailability of adequate learning facilities, negligence in managing children's learning time, and reluctance to understand children's learning development. This ignorance can have an impact on children's ability to learn, and can even hinder their chances of success in education (Kumoro et al., 2016).

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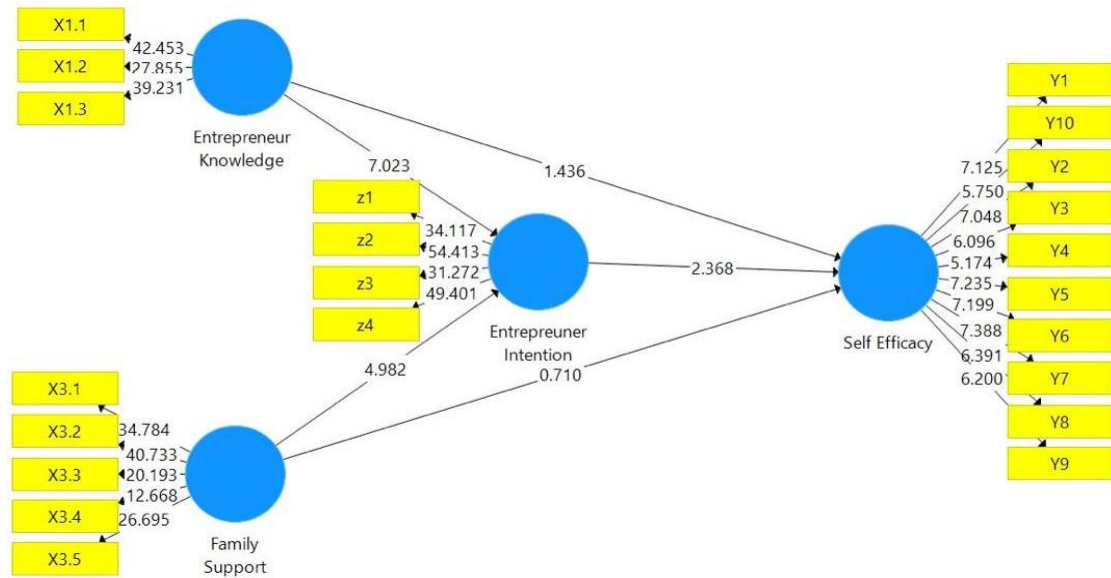
RESEARCH METHODS

In this research, quantitative research methods are used which use data and numbers, as well as utilizing secondary data that has been published for general purposes. This practice is in line with the view of Arikunto (2002) who states that quantitative research emphasizes the use of numbers, starting from data collection to interpretation of results. Uma Sekaran (2017) added that quantitative research methods are based on data in the form of numbers which can be processed and analyzed through mathematical or statistical calculations. This research adopts a survey or questionnaire method to collect information by compiling a series of questions to be asked to respondents. Answer data from respondents will be processed and analyzed using the path statistical calculation method with the smart pls application. The focus of this research is on the student population who have been involved in entrepreneurship. The research sample consisted of students who had been running a business for more than 1 year and operating in the Malang City area. Sample selection is carried out based on certain characteristics of the population. The sampling method used was the nonprobability sampling method, which was chosen because there was no centralized and comprehensive data access regarding the number of students in the Malang area who were involved in entrepreneurship. This technique does not provide equal opportunities or opportunities for each member of the population to be sampled in this research.

RESULT

Based on the information obtained from the respondents, it was found that the research respondents were mostly male, totaling 144 respondents or 62.6%, the other 86 respondents or (37.4%) were female with the majority of respondents aged ranging from 22 to 26 years. All respondents have an interest and enthusiasm for entrepreneurship.

This research builds a structural equation model (PLS-SEM) using partial least squares on the questionnaire data received, and hypothesis testing is carried out using SmartPLS 3 (Hair et al., 2019). Random sampling was carried out using the method (Bootstrapping), and the sample size was set at 5000. This research model is shown as follows



From the results of hypothesis testing, it was found that the relationship between variables in this study supports previous findings. In the context of the discussion, self-confidence or self-efficacy is recognized as a very important factor in determining individual success, especially for prospective young entrepreneurs. Entrepreneurship education plays a very significant role in increasing their level of self-efficacy, as it provides much-needed knowledge, skills and experience to overcome challenges in the business world. Previously, research has shown that entrepreneurship education has a significant influence in shaping the level of self-confidence of business people. With a deeper understanding of the operational aspects of business, aspiring young entrepreneurs will feel more confident in managing their business.

Knowledge in the field of entrepreneurship plays an important role in building practical skills that are vital for making the right decisions in managing a business. Entrepreneurship education as a whole has a significant impact on the self-efficacy of aspiring young entrepreneurs. By providing knowledge, skills, experience, support and achievements, entrepreneurship education helps aspiring entrepreneurs to feel more confident in facing challenges and opportunities in the business world. This is very important in preparing the mentality of prospective entrepreneurs to achieve success in their role as young entrepreneurs.

This research also found that the family environment plays an important role in shaping self-efficacy. Emotional support from family has a big influence on the self-efficacy of prospective young entrepreneurs. When family members

provide positive emotional support, such as encouragement, praise, and appreciation for their dreams and business plans, aspiring entrepreneurs tend to feel more confident in their abilities to achieve business goals. This emotional support provides strong motivation for them to face the challenges they may face on their entrepreneurial journey.

Apart from emotional support, the family also acts as a role model. Family members who have succeeded in the business world or have become successful entrepreneurs can be an inspiration for prospective entrepreneurs. When they have a figure in the family who is committed to entrepreneurship or has a positive attitude towards risk and failure, aspiring entrepreneurs tend to feel more confident that they too can achieve success in the world of entrepreneurship. Financial support from the family also has a significant impact. Some aspiring entrepreneurs may need initial capital to start their business. Financial support provided by the family in the form of initial capital or financial assistance when needed can help increase the confidence of prospective entrepreneurs in developing their business. With this financial support, they may feel more secure about taking big steps in growing their business.

CONCLUSION

In the world of entrepreneurship, family environment, entrepreneurial education, and interest in entrepreneurship are the three main pillars that shape the self-efficacy of prospective young entrepreneurs. Self-efficacy, namely an individual's belief in his or her ability to achieve success in a certain context, is a determining factor in achieving success in the realm of entrepreneurship. These three factors not only have their own influences, but are also interrelated and capable of forming complex relationships between them. Interest in entrepreneurship, as an internal drive to engage in entrepreneurial activities and develop business ideas, emerges as a response to support from an encouraging family environment and solid entrepreneurial education. When aspiring young entrepreneurs have a high interest in entrepreneurship, they tend to be more committed to deepening their knowledge of business and honing the necessary skills. These interests also help them better deal with obstacles and uncertainty, ultimately increasing their self-efficacy.

The research results show that the self-efficacy of prospective young entrepreneurs is influenced by complex factors involving family environment, entrepreneurial education, and interest in entrepreneurship. The combination of these three factors forms a positive view of their ability to succeed in the world of entrepreneurship and gives them strong motivation to take the necessary steps to achieve business success. Therefore, in efforts to develop entrepreneurship education programs and support young aspiring entrepreneurs, it is important to understand the role of the complex interactions between these factors in forming strong self-efficacy.

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