

## The Effect of Entrepreneurial Knowledge and Entrepreneurial Self-Efficacy on Entrepreneurial Readiness and Entrepreneurial Intention as Mediation Variables

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### ABSTRACT

This study aims to analyze the influence of entrepreneurial knowledge and self-efficacy on entrepreneurial readiness of high school students in Mojokerto, with entrepreneurial intention as a mediator. The quantitative method used questionnaires from 351 12th-grade students and analyzed using SEM-PLS. The results showered that entrepreneurial knowledge and self-efficacy have a significant positive effect on entrepreneurial intention and readiness, while entrepreneurial intention strengthens the relationship as a mediating variable. These findings emphasize the importance of strengthening entrepreneurship education in increasing students' self-confidence and readiness to build businesses, thereby encouraging the development of young generation entrepreneurship and contributing to economic growth.

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## **INTRODUCTION**

This study aims to analyze the influence of entrepreneurial knowledge and self-efficacy on entrepreneurial readiness of high school students in Mojokerto, with entrepreneurial intention as a mediator. The quantitative method used questionnaires from 351 12th-grade students and analyzed using SEM-PLS. The results showed that entrepreneurial knowledge and self-efficacy have a significant positive effect on entrepreneurial intention and readiness, while entrepreneurial intention strengthens the relationship as a mediating variable. These findings emphasize the importance of strengthening entrepreneurship education in increasing students' self-confidence and readiness to build businesses, thereby encouraging the development of young generation entrepreneurship and contributing to economic growth. Meanwhile, Indonesia has a relatively low entrepreneurship rate, at less than 4%, at 3.47% (Sutihat et al., 2024), compared to other countries like Thailand and Malaysia, which have reached 4.5% and Singapore, which has 8.6% (Lestari, 2024). This is due to the lack of entrepreneurial readiness among Indonesians, which should be instilled from an early age.

Entrepreneurial readiness among today's youth has become a critical global concern due to the low rate of business spin-offs (Adeniyi et al., 2022). Entrepreneurial readiness can be described as a person's ability to observe and analyze their environment so they can channel their high creative and productive potential (Bauman & Lucy, 2019). However, in reality, most young people today are afraid to start a business due to insufficient preparation, which leads to feelings of doubt. A previous survey identified a research gap and the urgency of the research, which served as the basis for this study. Therefore, the location of this research was chosen based on the gap found, Mojokerto is known as an industrial city that has many factories and job vacancies for school graduates and undergraduates, but this makes high school and vocational school graduates tend to choose work rather than starting a new business even though they have been encouraged by entrepreneurship education instilled through the independent curriculum, this is due to the lack of understanding and knowledge of students about entrepreneurship. In addition, high school students in Mojokerto have a high entrepreneurial intention but their readiness is not yet mature so they do not dare to take risks and face challenges when starting a business.

Entrepreneurial readiness in this study is influenced by various internal factors. Internal factors include a combination of knowledge, skills, independence, social environment, family, motivation, and self-efficacy (Mardta et al., 2022). Entrepreneurial knowledge in building entrepreneurial readiness serves as a competency base; it provides analytical tools for identifying opportunities, developing strategies, and managing resources (Frolova et al., 2021). Meanwhile, entrepreneurial self-efficacy serves as a psychological foundation for building entrepreneurial readiness. High self-confidence can be correlated with increased risk-taking and innovation, essential for entrepreneurial success (Gunawan & Syah, 2024). Personal competence and educational background can significantly shape entrepreneurial readiness

(Choirunnisa et al., 2024). Self-efficacy is a person's belief in their ability to complete tasks, face challenges, and solve problems, including in the context of entrepreneurship (Waddington, 2023). Self-efficacy plays an important role in shaping a person's readiness and intention to start and run a business because self-confidence is a provision for daring to take risks in entrepreneurship (Rauch & Frese, 2007; Adeniyi et al., 2022).

A strong entrepreneurial intention can provide good entrepreneurial readiness, such as greater mental, emotional, and skill readiness in facing entrepreneurial challenges (Ayelotan, 2024). Entrepreneurial intention serves as a psychological foundation that motivates a person to prepare themselves comprehensively for entrepreneurship. Without a strong intention, entrepreneurial readiness tends to be low even if a person has entrepreneurial knowledge and skills (Shofwan et al., 2023). The novelty of this study is that among the increasing number of studies on entrepreneurship, there is a lack of empirical evidence examining how entrepreneurial knowledge and self-efficacy prepare students to become entrepreneurs (Saptono et al., 2020). In Indonesia, most studies on entrepreneurial readiness are limited to using only university students (Adeniyi et al., 2022). Another novelty is that many studies measure variables related to entrepreneurial intentions (Elnadi & Gheith, 2021; Wu et al., 2022; Al-Qadasi et al., 2023) but rarely study and research related to entrepreneurial readiness as a factor in entrepreneurial behavior.

This research draws on the social cognitive theory (SCT) developed by Bandura (1986), which discusses the relationship between cognitive capacity and entrepreneurial intention. It states that entrepreneurial self-efficacy can influence a person's level of effort and persistence, as well as behavioral regulation. Bandura (1986) explains that successful behavioral performance depends on an individual's knowledge of what to do and how to perform the behavior. In the context of this research, this means that the more students' achievements, experiences, and knowledge related to entrepreneurship, the more likely they are to be confident in their abilities and ready to start a business. Furthermore, the theory of planned behavior explains that three factors influence an individual's intention to engage in a particular behavior. Attitude toward the behavior is the first factor and refers to how a person feels about a particular action (Tahir, 2021). In the context of entrepreneurship, entrepreneurial intention is considered a first step and a strong predictor of actual entrepreneurial behavior. Students with strong intentions are more likely to take concrete steps in preparing for entrepreneurship.

While the urgency of this research is the increasing demand for students to graduate from high school with skills that enable them to succeed in the 21st century, in addition to providing entrepreneurial insight in order to open employment opportunities thereby reducing unemployment in Indonesia. Through the previous background description, the researcher decided to take research related to entrepreneurial readiness with the title "The Influence of Entrepreneurial Knowledge and Entrepreneurial Self-Efficacy on Entrepreneurship Readiness with Entrepreneurial Intention as a Mediating Variable (In High School Students in Mojokerto Regency)".

## LITERATURE REVIEW

### *Social Cognitive Theory (SCT)*

This study refers to the social cognitive theory or SCT developed by Bandura (1986) where this theory discusses the relationship between cognitive capacity and entrepreneurial intention and states that entrepreneurial self-efficacy can influence a person's level of effort and persistence as well as behavioral regulation. According to this theory, human functioning depends on three interacting factors: first, personal (cognition and emotion), second, social or environmental factors such as classroom and teacher praise, and third, behavioral factors such as school attendance and completing homework (Bandura, 1991). Bandura (1986) explains that successful behavioral performance depends on an individual's knowledge of what to do and how to perform the behavior. This, in the context of this study, can be interpreted as meaning that the more achievements, experiences, and knowledge students have regarding entrepreneurship, the more likely they are to be confident in their abilities and ready to start a business.

### *Theory of Planned Behavior*

The theory of planned behavior is one of the most widely cited theories to explain the prevalence of entrepreneurship. The theory of planned behavior is a general model of planned behavior and is used in various settings, including customers, investors, voters, religious adherents, and so on. The theory explains that three factors influence an individual's intention to engage in a particular behavior. Attitude toward the behavior is the first factor and refers to how a person feels about a particular action (Tahir, 2021). In the context of entrepreneurship, entrepreneurial intention is considered a first step and a strong predictor of actual entrepreneurial behavior. Students with strong intentions are more likely to take concrete steps to prepare for entrepreneurship.

### *Entrepreneurial Knowledge to Entrepreneurship Readiness*

Entrepreneurial knowledge is a fundamental skill that serves as a foundation for starting and pursuing entrepreneurial endeavors. Entrepreneurial knowledge empowers students with the skills and insights inherent in each individual. This knowledge can foster more self-confidence, empower individuals to make informed choices and decisions, optimize creativity and innovation, foster morality, intellect, and character, and enhance the quality of other human resources, enabling them to become more independent (Istiqomah, 2022). This study aligns with previous studies by Coduras et al. (2016) and Tung et al. (2020), which found that entrepreneurial knowledge positively impacts entrepreneurial preparation. A possible explanation for this is that prospective entrepreneurs who possess entrepreneurial-related knowledge, such as how to start a business and develop effective products or services to meet market tastes and demands, are more likely to have entrepreneurial intentions than those without it (Saptono et al., 2020).

H1: *Entrepreneurial Knowledge to Entrepreneurship Readiness*

### ***Entrepreneurial Self-Efficacy to Entrepreneurship Readiness***

Entrepreneurial self-efficacy, which is a crucial element in students' belief or confidence in their ability to initiate new endeavors, including entrepreneurship, will help them prepare themselves to face risks and take responsibility. A causal relationship indicates that the pursuit of ESE has a significant relationship with entrepreneurial readiness. This implies that students' entrepreneurial skills in identifying opportunities or developing ideas contribute positively to their entrepreneurial readiness to initiate (Adeniyi et al., 2022). The higher a person's self-efficacy, the higher their readiness to undertake an activity. With self-confidence, students will be ready to work hard and face all risks (Renaningtyas et al., 2021). Previous research examined the interaction between ESE and entrepreneurial readiness (Dardiri et al., 2019; Darmasetiawan, 2018). Cadenas et al.'s (2020) study on ESE and student technological readiness concluded that community support improves students' ESE and entrepreneurial readiness in Science, Technology, Engineering, and Mathematics (STEM). Similarly, Islami et al. (2017) found a significant relationship between self-efficacy and entrepreneurial readiness in vocational high school students. Regarding the ESE dimension, Dardiri et al. (2019) found that entrepreneurial understanding, entrepreneurial interest, and self-efficacy significantly contributed to students' entrepreneurial readiness.

*H2: Entrepreneurial Self-Efficacy to Entrepreneurship Readiness*

### ***Entrepreneurial Intention to Entrepreneurship Readiness***

Entrepreneurial intention significantly influences and contributes to increasing one's entrepreneurial readiness, as it serves as a precursor to entrepreneurial behavior and performance. Entrepreneurial intention is shaped by various factors, including personal traits, environmental conditions, and educational experiences, which collectively increase an individual's readiness to engage in entrepreneurial activities (Chien-Chi et al., 2020). Entrepreneurial intention is assumed to have an influence, such that the higher a person's intention, the higher their entrepreneurial readiness, which can provide better development support for students' entrepreneurial readiness. In a study by Mafahir et al., (2020), it was stated that there is a positive influence between entrepreneurial intention and one's entrepreneurial readiness in the industrial revolution 4.0. The formation of intention is also considered the first step in the process of creating a new business. Thus, entrepreneurial desire can help someone initiate a plan to start a new business because desire motivates entrepreneurial activity (Ferreira-Neto et al., 2023). In addition, Thompson (2009) defines entrepreneurial intention as an individual's behavioral intention towards starting their own business or showed a tendency to become an entrepreneur in the near future.

*H3: Entrepreneurial Intention to Entrepreneurship Readiness*

### ***Entrepreneurial Knowledge to Entrepreneurial Intention***

Entrepreneurial knowledge is one factor that can trigger interest in entrepreneurship. For example, when an individual has attended an entrepreneurship seminar, training, or course, they will be interested in

becoming an entrepreneur (Istiqomah, 2022). Entrepreneurial knowledge provides individuals with the skills and understanding necessary to identify and exploit business opportunities (Lio et al., 2022). It is a crucial factor in entrepreneurial intention because it equips students with the cognitive tools needed to navigate the entrepreneurial landscape (Caputo et al., 2024). The primary purpose of entrepreneurial knowledge is to develop entrepreneurial intention or help someone understand career readiness to take the plunge and become an entrepreneur (Rakicevic et al., 2022).

*H4: Entrepreneurial Knowledge to Entrepreneurial Intention*

#### ***Entrepreneurial Self-Efficacy to Entrepreneurial Intention***

The entrepreneurial self-efficacy variable has a close relationship with entrepreneurial intention, as evidenced by research conducted by Nowiński and Haddoud (2018) who concluded that entrepreneurial self-efficacy can strengthen entrepreneurial intention as a mediating variable. Research examining the direct impact of self-efficacy on entrepreneurial intention revealed that people with higher self-efficacy have greater intentions and also believe that they are more likely to achieve positive results by following through on their plans (Drnovšek et al., 2010). In addition, entrepreneurs measure their certainty in their talents based on self-efficacy and tend to be persistent and confident about their potential success. In this perspective, there are studies confirming that higher levels of self-efficacy are positively related to higher entrepreneurial intentions (Chen et al., 1998; Cardon and Kirk, 2015).

*H5: Entrepreneurial Self-Efficacy to Entrepreneurial Intention*

#### ***Entrepreneurial Intention As Mediation***

Entrepreneurial knowledge can enhance an individual's entrepreneurial readiness, driven by entrepreneurial intentions, such as subjective norms, perceived desires, and attitudes. Entrepreneurial intentions serve as a critical mediator between knowledge and entrepreneurial readiness. Intentions are shaped by acquired knowledge, which in turn influences readiness to initiate entrepreneurial activities. This mediation is evident in various studies where intentions are supported by entrepreneurial knowledge, leading to increased readiness (Gul et al., 2024; Sulistyorini & Santoso, 2021). Entrepreneurial knowledge has a positive effect on enhancing an individual's entrepreneurial intentions through the skills and insights it provides, and the formation of strong attitudes and intentions, which then drive actual readiness to start a business. Knowledge provides the necessary theoretical foundation and skills, so individuals feel more confident and motivated to become entrepreneurs (Costin et al., 2022). This fosters commitment and desire, resulting in the intention to actually start a business. This intention is influenced by attitudes, self-efficacy, and environmental support. A strong intention then becomes the primary driver of entrepreneurial readiness, both in the form of mental preparation, business planning, and readiness to face risks and challenges (Yulistia & Rahyuda, 2023). Therefore, efforts to improve entrepreneurial readiness should not only focus on increasing entrepreneurial knowledge but also on developing and strengthening

entrepreneurial intentions through motivation, experiential learning, and fostering entrepreneurial attitudes.

Self-efficacy provides the necessary skills and knowledge, supported by entrepreneurial intentions, to prepare individuals to face real-world challenges in the entrepreneurial sphere (Perez-Macias et al., 2021; Anjum et al., 2024). Entrepreneurial intentions are the strongest predictor of entrepreneurial behavior. High school students with strong entrepreneurial intentions, supported by high ESE, are more likely to engage in entrepreneurial activities. This is supported by the theory of planned behavior and social cognitive theory, which state that intentions are the best predictors of planned behavior (Martinez-Gregorio & Oliver, 2022). The self-belief that builds entrepreneurial intentions will help increase entrepreneurial readiness through direct practice such as business simulations and seeking mentors. Research by Devi et al., (2021) states that self-efficacy increases intentions, which then impacts student readiness. A study at SMKN 50 Jakarta showed that this pathway contributed 80.7% of the influence.

H6: *Entrepreneurial Knowledge towards Entrepreneurship Readiness through Entrepreneurial Intention*

H7: *Entrepreneurial Self-Efficacy towards Entrepreneurship Readiness through Entrepreneurial Intention*

## METHODOLOGY

The impact of entrepreneurial knowledge and entrepreneurial self-efficacy on students' entrepreneurship readiness was measured using statistical instruments to objectively understand actual knowledge. Therefore, a descriptive explanatory quantitative research design was adopted in this study (Adeniyi et al., 2022). Furthermore, quantitative research is an effective empirical research method for conducting business management research (Aithal & Aithal, 2020).

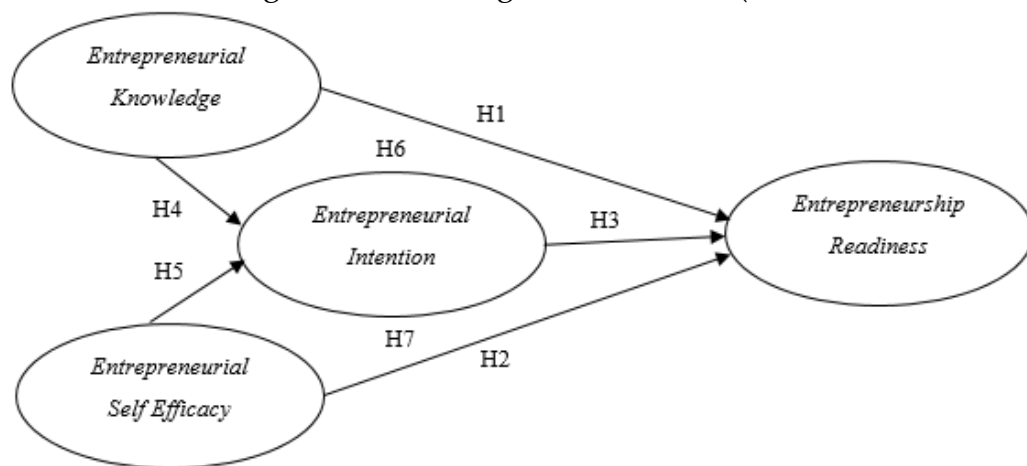


Figure 1. Conceptual Framework

The population used in this study were active students at 11 public senior high schools (SMAN) in Mojokerto Regency. Based on sample size calculations using a sample size calculator with a 5% margin of error, the sample size obtained and used in this study was 351 students.

In this study, the analytical technique used was SEM-PLS (Structural Equation Modeling Partial Least Squares) to examine the relationship or influence of entrepreneurial mindset and entrepreneurial passion on entrepreneurial intentions, moderated by entrepreneurial attitude variables. Smart PLS is preferred for its ability to handle complex models, including those with formative and reflective constructs, and its flexibility in handling non-normal data distributions and small sample sizes (Hair & Alamer, 2022). The SEM-PLS steps in this study refer to the procedures developed by Sarstedt et al., (2014). The stages of the SEM-PLS analysis technique include: 1) outer model (Validity Test and Reliability Test); 2) inner model (R-Square, F-Square, Predictive Relavance,); 3) Goodness of Fit (GoF); 4) Hypothesis Testing.

## RESEARCH RESULT

### *Descriptive Statistical Analysis Based on Respondents*

After processing the data using the Smart PLS tool as a tool to determine the correlation between variables, the next stage is to analyze the data. Quantitative data analysis in this study uses descriptive analysis procedures. The results of the frequency distribution found that the majority of respondents were from SMAN 1 Puri with a percentage of 11% and a minority from SMAN 1 Trawas with a total of 23 students with a percentage of 7%. While the frequency distribution of gender, mostly contained women with a percentage of 61% and men 39%. On the other hand, there is a frequency distribution based on the number of siblings, the majority of respondents in this study have 2 siblings with a percentage of 60%. The highest education of the father and mother has the largest majority of high school graduates with a percentage of 58% and 53%. Most respondents do not have a business as much as 53% while some have owned and are currently running a business.

### *Analysis SEM-PLS*

#### *1) Outer Model Evaluation*

The factor loading value for each construct indicator indicates the results of the convergent validity test of the reflection indicator using the SmartPLS program. In this study, a factor loading value  $>0.70$  is considered a rule of thumb (Kamis et al., 2020). Discriminant validity testing is based on the principle that different manifest construct variables should not be highly correlated. Discriminant validity is measured by observing the cross-loading value for each variable, which must be  $>0.70$ .

Furthermore, the average variance extracted (AVE) value must be  $>0.5$ . Conversely, if the AVE value is  $<0.5$ , convergent validity is not met (Cheung et al., 2024). The composite reliability test for PLS-SEM using SmartPLS 3.0 can be performed in two ways: (1) by observing the Cronbach's Alpha ( $\alpha$ ) value, where for confirmatory research, the  $\alpha$  value is  $>0.70$ , and (2) by observing the composite reliability (CR) value  $>0.70$ .

Tabel 1. *Outer Model Estimation*

| Konstruk                             | Item | Outer Loading | $\alpha$ | CR    | AVE   |
|--------------------------------------|------|---------------|----------|-------|-------|
| <i>Entrepreneurial Knowledge</i>     | EK1  | 0.869         | 0.864    | 0.917 | 0.786 |
|                                      | EK2  | 0.892         |          |       |       |
|                                      | EK3  | 0.899         |          |       |       |
| <i>Entrepreneurial Self-Efficacy</i> | ESE1 | 0.931         | 0.931    | 0.956 | 0.879 |
|                                      | ESE2 | 0.936         |          |       |       |
|                                      | ESE3 | 0.946         |          |       |       |
| <i>Entrepreneurial Intention</i>     | EI1  | 0.879         | 0.872    | 0.913 | 0.725 |
|                                      | EI2  | 0.912         |          |       |       |
|                                      | EI3  | 0.843         |          |       |       |
|                                      | EI4  | 0.764         |          |       |       |
| <i>Entrepreneurship Readiness</i>    | ER1  | 0.892         | 0.877    | 0.924 | 0.803 |
|                                      | ER2  | 0.915         |          |       |       |
|                                      | ER3  | 0.880         |          |       |       |

The data processing results presented in Table 1 showed that each indicator has a value that meets the validation requirements, namely an outer loading > 0.70, indicating that the indicator is valid. This indicates that more than 50% of the indicator variance can be explained by the constructs of each variable.

Table 2. Fornell-Larcker Discriminant Validity Results

| Variabel                             | <i>Entrepreneurial Intention</i> | <i>Entrepreneurial Knowledge</i> | <i>Entrepreneurial Self-Efficacy</i> | <i>Entrepreneurship Readiness</i> |
|--------------------------------------|----------------------------------|----------------------------------|--------------------------------------|-----------------------------------|
| <i>Entrepreneurial Intention</i>     | 0.851                            |                                  |                                      |                                   |
| <i>Entrepreneurial Knowledge</i>     | 0.754                            | 0.887                            |                                      |                                   |
| <i>Entrepreneurial Self-Efficacy</i> | 0.855                            | 0.817                            | 0.938                                |                                   |
| <i>Entrepreneurship Readiness</i>    | 0.863                            | 0.700                            | 0.799                                | 0.896                             |

Based on the data processing results presented in Table 2, discriminant validity results were obtained, indicating that all variables met the specified discriminant validity criteria.

Table 1 showed that all variables in this study met composite reliability, with entrepreneurial knowledge scoring 0.917, entrepreneurial self-efficacy scoring 0.956, entrepreneurial intention scoring 0.913, and finally, entrepreneurship readiness scoring 0.924. This indicates that the questionnaire administered by the researcher demonstrated relatively high internal reliability. According to Pering (2020), a figure is considered credible if its Cronbach's alpha

is greater than 0.7. In Table 1, all variables had Cronbach's alpha scores greater than 0.70, with an average score above 0.80.

## 2) Inner Model Evaluation

Testing of the inner structural model in SEM PLS was carried out using the R-square (R2) test and significance testing through path coefficient estimation.

Table 3. R-Square Results

| Variable                          | R-Square | R-Square Adjusted |
|-----------------------------------|----------|-------------------|
| <i>Entrepreneurial Intention</i>  | 0.741    | 0.739             |
| <i>Entrepreneurship Readiness</i> | 0.759    | 0.757             |

Through the results of the measurement model data processing at the r-square stage, it was found that the entrepreneurial intention variable as a mediating variable obtained a value of 0.739, indicating that 73.9% of this variable can be influenced by the entrepreneurial knowledge and entrepreneurial self-efficacy variables as exogenous variables, while the remaining 26.1% can be influenced by other variables outside this study. In addition, the r-square value of the entrepreneurship readiness variable as an endogenous variable obtained a value of 0.757, meaning that 75.7% of this variable can be influenced by the entrepreneurial knowledge and entrepreneurial self-efficacy variables, while the remaining 24.3% can be influenced by other variables not included in this study.

Table 4. F-Square

| Variable                             | <i>Entrepreneurial Intention</i> | <i>Entrepreneurial Knowledge</i> | <i>Entrepreneurial Self-Efficacy</i> | <i>Entrepreneurship Readiness</i> |
|--------------------------------------|----------------------------------|----------------------------------|--------------------------------------|-----------------------------------|
| <i>Entrepreneurial Intention</i>     |                                  |                                  |                                      | 0.472                             |
| <i>Entrepreneurial Knowledge</i>     | 0.035                            |                                  |                                      | 0.001                             |
| <i>Entrepreneurial Self-Efficacy</i> | 0.666                            |                                  |                                      | 0.035                             |
| <i>Entrepreneurship Readiness</i>    |                                  |                                  |                                      |                                   |

Below is the calculation of predictive relevance:

$$\begin{aligned}
 \text{Nilai Q2} &= 1 - (1 - R2) \times (1 - R2) \\
 &= 1 - (1 - 0.739) \times (1 - 0.757) \\
 &= 1 - (0.261) \times (0.243) \\
 &= 1 - 0.063 \\
 &= 0.937
 \end{aligned}$$

Based on the computational results, the Q2 value was 0.937, meaning the structural model explained 94% of the variation in the research data, with the remaining 6% explained by factors outside the model.

Goodness of fit is the third procedure that evaluates the measurement model (outer) and the structural model (inner). According to Hair et al. (2019), the criteria provided by the study indicate that a model meets goodness of fit if the Cronbach's alpha ( $\alpha$ ) value is greater than ( $>$ ) 70, the composite reliability (CR) is greater than ( $>$ ) 0.70, and the average variance extracted (AVE) is greater than ( $>$ ) 0.50.

Table 5. *Outer Model Estimation*

| Variable                             | $\alpha$ | CR    | AVE   | Evaluation |
|--------------------------------------|----------|-------|-------|------------|
| <i>Entrepreneurial Knowledge</i>     | 0.864    | 0.917 | 0.786 | Fit        |
| <i>Entrepreneurial Self-Efficacy</i> | 0.931    | 0.956 | 0.879 | Fit        |
| <i>Entrepreneurial Intention</i>     | 0.872    | 0.913 | 0.725 | Fit        |
| <i>Entrepreneurship Readiness</i>    | 0.877    | 0.924 | 0.803 | Fit        |

Through this GoF, it becomes a stage of perfecting the previous evaluation analysis such as relevant prediction, F-Square and R-Square.

### 3) Hypothesis Testing

Table 6. Hypothesis Testing Results

|               | Variabel                                                             | Original Sampel | T-Statistic | P-Values | Hypothesis      |
|---------------|----------------------------------------------------------------------|-----------------|-------------|----------|-----------------|
| <b>Direct</b> |                                                                      |                 |             |          |                 |
| <b>H1</b>     | <i>Entrepreneurial Knowledge &gt; Entrepreneurship Readiness</i>     | 0.032           | 0.546       | 0.586    | <b>Reject</b>   |
| <b>H2</b>     | <i>Entrepreneurial Self-Efficacy &gt; Entrepreneurship Readiness</i> | 0.207           | 13.028      | 0.003    | <b>Accepted</b> |
| <b>H3</b>     | <i>Entrepreneurial Intention &gt; Entrepreneurship Readiness</i>     | 0.662           | 12.114      | 0.000    | <b>Accepted</b> |
| <b>H4</b>     | <i>Entrepreneurial Knowledge &gt; Entrepreneurial Intention</i>      | 0.166           | 2.658       | 0.008    | <b>Accepted</b> |
| <b>H5</b>     | <i>Entrepreneurial Self-Efficacy &gt;</i>                            | 0.720           | 13.028      | 0.000    | <b>Accepted</b> |

| <i>Entrepreneurial Intention</i> |                                           |       |       |       |                 |
|----------------------------------|-------------------------------------------|-------|-------|-------|-----------------|
| <b>Indirect</b>                  |                                           |       |       |       |                 |
| <b>H6</b>                        | <i>Entrepreneurial Knowledge &gt;</i>     |       |       |       |                 |
|                                  | <i>Entrepreneurial Intention &gt;</i>     | 0.110 | 2.603 | 0.010 | <b>Accepted</b> |
|                                  | <i>Entrepreneurship Readiness</i>         |       |       |       |                 |
| <b>H7</b>                        | <i>Entrepreneurial Self-Efficacy &gt;</i> |       |       |       |                 |
|                                  | <i>Entrepreneurial Intention &gt;</i>     | 0.447 | 9.078 | 0.000 | <b>Accepted</b> |
|                                  | <i>Entrepreneurship Readiness</i>         |       |       |       |                 |

Based on the results of data processing related to hypothesis testing that have been presented in table 6, it was found that there is one hypothesis that has insignificant results or is rejected, namely hypothesis one which is the influence of entrepreneurial knowledge on entrepreneurship readiness with a p-value of 0.586 which means it exceeds the accepted limit of  $<0.05$  and a t-statistic value of 0.546, meaning that the value did not meet the requirements that must be  $> 1.96$ . While the other 6 hypotheses are accepted, namely H2 to H7 with the values obtained that have met the requirements, namely t-statistic  $> 1.96$  and p-values  $< 0.05$ .

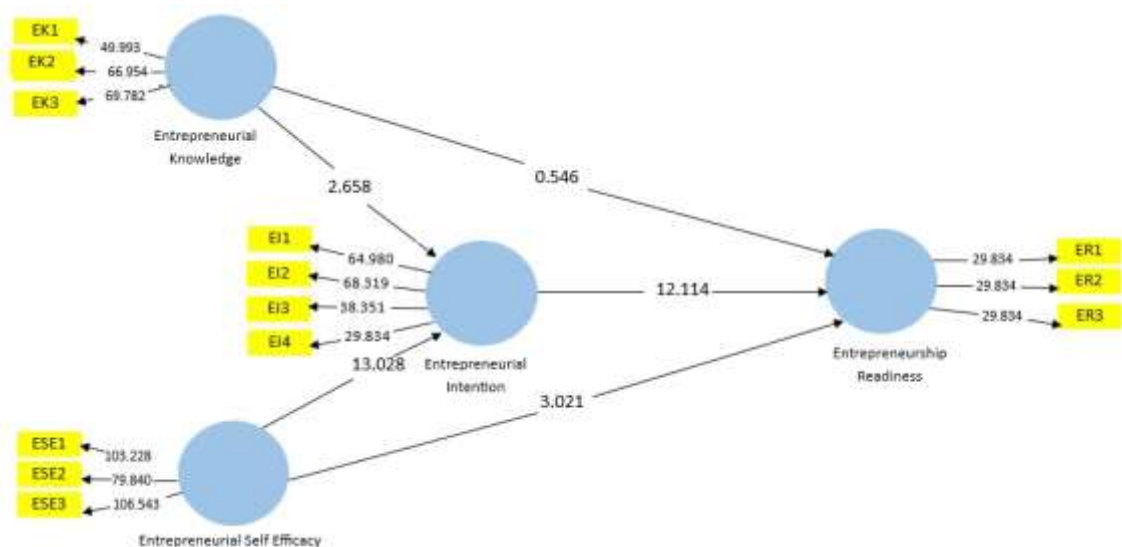


Figure 2. Analysis SEM PLS Result

## DISCUSSION

Through the results of data processing presented in Chapter IV, it was found that the first hypothesis accepted  $H_0$  and rejected  $H_a$ , meaning that entrepreneurial knowledge did not have a significant influence or contribution to increasing or forming entrepreneurial readiness. The findings of this study indicate that there are deficiencies in the knowledge transfer process or in entrepreneurship learning so that the knowledge provided has not been able to

encourage readiness in students. The findings of this study indicate that there are deficiencies in the knowledge transfer process or in entrepreneurship learning so that the knowledge provided has not been able to encourage readiness in students. This explanation is in line with the theoretical principles used, namely social cognitive theory, which explains that entrepreneurial readiness is not only driven and influenced by cognitive knowledge but also by several other factors such as self-confidence, direct experience, and a supportive social environment (Nwosu et al., 2022). If students only receive cognitive knowledge without adequate practical experience and social support, the influence of entrepreneurial knowledge on entrepreneurial readiness can be insignificant (Salami, 2019).

The findings of this study on the second hypothesis have the result of accepting  $H_a$  and rejecting  $H_o$ , meaning that entrepreneurial self-efficacy has a significant influence on increasing a person's entrepreneurial readiness. Through these results, it can be explained that the higher a person's self-efficacy in entrepreneurship, the more prepared they will be to start a business (Bachmann et al., 2021). This self-efficacy acts as a catalyst that can encourage students to act and take the necessary risks in the world of entrepreneurship (Kurniawan & Koswara, 2024). The results of this study are in line with the findings of Adeniyi et al., (2022) who stated that there is a significant influence between entrepreneurial self-efficacy and entrepreneurial readiness, because entrepreneurial self-efficacy has been described as a cognitive element that can stimulate entrepreneurial readiness.

The results of this third hypothesis accept  $H_a$  and reject  $H_o$ , meaning there is a significant influence between entrepreneurial intention and increasing a person's entrepreneurial readiness. This intention within a person can be a motivating element for students to be more active in participating in practical learning and seeking business opportunities, so that readiness becomes more real and developed (Sutrisno et al., 2024). The stronger a person's intention to become an entrepreneur, the more likely they are to take concrete steps to prepare themselves, such as seeking information, attending training, and developing relevant skills (Lubada et al., 2021). These findings are highly relevant to the conditions at SMAN Kota Mojokerto, where the majority of the study sample had very strong entrepreneurial intentions. They not only participated in entrepreneurship learning at school but also participated in training or entrepreneurship programs outside of school, such as seminars and even tried to sell a product or start a small business. At SMAN Mojokerto, it is clear that students with strong entrepreneurial intentions have a greater level of participation in activities that support their self-development. Students who intend to start an online business will independently study digital marketing or e-commerce (Guo & Kiratikarnkul, 2024).

The fourth hypothesis found a significant positive effect between entrepreneurial knowledge and increasing entrepreneurial intentions. The knowledge students gain regarding entrepreneurial concepts, opportunities, and risks fosters strong awareness and motivation to start a business (Frolova et al., 2021). With a strong understanding, students develop a clear picture of

entrepreneurship, leading to more focused and positive entrepreneurial intentions. The entrepreneurial knowledge students acquire forms a strong cognitive foundation. This knowledge encompasses not only business theory and concepts (Wang & Mangmeechai, 2022) but also practical skills such as developing business plans, financial management, and marketing strategies. With adequate knowledge, they can view entrepreneurship not as an unaffordable risk, but as a manageable and planable career path. These findings align with previous research by Prastiwi et al. (2022), which found a significant effect between entrepreneurial knowledge and entrepreneurial intentions.

The fifth hypothesis in this study accepted  $H_a$  and rejected  $H_o$ , meaning that entrepreneurial self-efficacy significantly influences entrepreneurial intentions. When someone has a high level of entrepreneurial self-efficacy, they will feel confident in their abilities (Costin et al., 2022), so they tend to view challenges as surmountable, rather than as impossible obstacles. This belief is crucial because it reduces doubt and fear of failure, which often prevent someone from taking the first step in entrepreneurship (Pan et al., 2022). Therefore, the higher a student's self-efficacy, the higher their intention to start and develop their own business. Furthermore, research by Wang et al. (2023) states that self-efficacy can influence and enhance a person's entrepreneurial intentions. This study explains that entrepreneurial self-efficacy is an important factor that has a significant impact on emotional intelligence, which can determine attitude change. This is in line with the principles of planned behavior theory, which is an important theoretical foundation explaining entrepreneurial behavior.

The sixth hypothesis accepts  $H_a$  and rejects  $H_o$ . Entrepreneurial knowledge has a significant positive effect on entrepreneurial readiness and is mediated by entrepreneurial intention. Entrepreneurial knowledge plays a crucial role as a variable influencing entrepreneurial intention, which in turn drives students' entrepreneurial readiness (Ilomo & Mwantimwa, 2023). The knowledge acquired by students did not directly increase readiness, but rather through the formation of strong intentions (Almulla, 2022). In other words, entrepreneurial knowledge serves as a cognitive foundation that shapes students' entrepreneurial attitudes and intentions. This formed intention then facilitates readiness, as students with strong intentions will be more active in honing skills, seeking opportunities, and facing entrepreneurial challenges with greater confidence (Ayelotan, 2024). Therefore, knowledge contributes to entrepreneurial readiness indirectly through the mechanism of entrepreneurial intention, which is the main mediator in the relationship.

The study results for the seventh hypothesis accepted  $H_a$  and rejected  $H_o$ , meaning that entrepreneurial self-efficacy has a significant influence on entrepreneurial readiness, fully mediated by entrepreneurial intention. Self-efficacy, or an individual's belief in their ability to run a business, plays a key role in the formation of entrepreneurial intention (Yousaf et al., 2021). This entrepreneurial intention then mediates between self-efficacy and entrepreneurial readiness, meaning that self-efficacy enhances intention, which in turn triggers entrepreneurial readiness. Strong self-efficacy encourages a person to feel capable of overcoming obstacles and be more persistent in taking

entrepreneurial steps (Bandura, 2023). Therefore, intention is not only a result of self-efficacy but also a bridge connecting belief with actual entrepreneurial readiness.

## CONCLUSIONS AND RECOMMENDATIONS

The findings of this study conclude that entrepreneurial knowledge did not significantly influence entrepreneurship readiness. Furthermore, entrepreneurial self-efficacy has a significant and positive influence on entrepreneurship readiness. Similarly, entrepreneurial intention has a significant influence on entrepreneurship readiness. This study also successfully demonstrated the full mediating role of entrepreneurial intention in the relationship between entrepreneurial knowledge and entrepreneurial self-efficacy on entrepreneurship readiness.

It is recommended that schools improve students' competency and understanding of entrepreneurship by reinforcing more practical and applicable learning materials, as well as providing hands-on experiences such as training and entrepreneurship courses. Furthermore, it is important for educational institutions to encourage the development of students' self-efficacy by providing realistic indicators of success and supporting their confidence in entrepreneurship. The government and stakeholders also need to provide innovative coaching and funding programs to further motivate students to start businesses. This synergy is expected to increase students' entrepreneurial readiness and intentions, thereby contributing to job creation and sustainable economic growth.

## ADVANCED RESEARCH

The study offers an advanced contribution to the field of consumer behaviour and halal marketing by deepening the understanding of the mediating mechanism of perceived value within the Stimulus–Organism–Response (S–O–R) framework. It advances prior models by empirically verifying that perceived value functions not merely as an intermediary variable but as a decisive psychological construct that translates brand image and price perception into behavioural loyalty in digital contexts. This underscores a paradigm shift from transactional perspectives toward cognitive-affective appraisals that drive repurchase behaviour in halal beauty markets. Future research should adopt longitudinal and cross-cultural designs to examine how dynamic brand narratives, ethical positioning, and digital engagement influence perceived value over time. Moreover, integrating moderating factors such as religiosity, social influence, or online trust could enhance theoretical precision and expand the model's applicability across varying consumer segments and product categories.

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