

Research Paper

The Influence of Entrepreneurship Knowledge, Financial Literacy, and Motivation on Students' Interest in Building a Start-up Business

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Abstract.

This study aims to determine the destruction of entrepreneurial knowledge, financial literacy, and motivation for students' interest in building a business startup. This study is a quantitative study with 167 respondents. The sample determination method uses a purposive sampling technique by determining the number of samples using the Slovin formula. The data used are primary data obtained through the dissemination of questionnaires and measured using a Likert scale. The data analysis technique uses multiple linear analysis techniques with its processing using SPSS. The results showed that entrepreneurial knowledge, financial literacy, and motivation had a positive and significant effect on students' interest in building business startups.

Keywords: startup business, entrepreneurial knowledge, financial literacy, motivation

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1. Introduction

The Central Statistics Agency (BPS) estimated that by August 2020, the number of unemployed Indonesians would reach 9.77 million, up from 5.23% the previous year (Kompas.com, 2020). In light of this trend, today's youth—and especially today's graduates—might do well to focus not just on finding employment, but also on generating their own, through venture creation. Vice President Jusuf Kalla has stated that only 3-4% of undergraduates are offered a position in the civil service. So, his advice to students is to go into business for themselves. Startup companies are the result of novel, technology-based business concepts that have emerged as a result of the exponential growth of information technology in the modern digital era. A startup, as defined by Ries (2011), is a recently founded company that is still in the process of developing its products and researching the market to determine its potential.

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The increasing annual number of Indonesian startups is evidence of the sector's rapid development. The Startup Ranking predicts that by 2020, Indonesia will be in the top five nations with the most startups. The country currently ranks fifth with a total of 2,195 startup enterprises. By 2020, Indonesia's digital economy is projected to add \$44 billion (or about \$619 billion) to the country's GDP (Ekonomi.bisnis.com, 2020). Creating a better entrepreneurial atmosphere, including supporting the establishment of micro-scale firms, is one way the government plans to speed up the national economic recovery, as stated by the coordinating minister for the economy.

Despite entering the top five countries for startup activity, Indonesia's total rate of entrepreneurial development lags well below that of its ASEAN neighbors (rmoljabar.id, 2021). According to BPP Indonesian Young Entrepreneurs Association (HIPMI) Chairman Mardani H. Maming, Indonesia requires 12-14% of young entrepreneurs in order to become a developed country, but now only has 3.47.

Heriyanti's (2022) investigation of the factors that stimulate an interest in starting a business is cited here. The new angle taken by this study is its emphasis on the desire to launch a business from scratch as a source of entrepreneurial motivation. This study was motivated by that of Hidayah et al. (2022), which investigated students' enthusiasm for launching new businesses, however the independent variables here differed. Knowledge of entrepreneurship, financial literacy, and drive are the three independent factors in this analysis. The participants in this study are not comparable to those in earlier research. Participants were undergraduates enrolled in the Accounting Study Program at Ganesha University of Education in the academic year of 2018.

In order to create a successful and innovative business institution, entrepreneurs must be well-versed in the science of reacting to business possibilities (Mardiyatmo, 2005: 2). According to the TPB hypothesis, behavioral attitudes, subjective norms, and perceptions of behavioral control are the conceptual frameworks most likely to affect a person's attitude when performing something (Maullah & Rofiuddin, 2021). This research examines how students' attitudes, subjective norms, and beliefs about their own control of their conduct can inform their understanding of how entrepreneurial information can be used to spark interest in launching a firm. In most cases, a student's enthusiasm in launching a firm will increase if they have a solid foundation of knowledge in entrepreneurship. Therefore, students will be motivated to start their own businesses due to the influence of subjective norms. According to studies conducted by Sanchaya Hendrawan & Sirine (2017), a student's level of interest in entrepreneurship is influenced by their level of entrepreneurial expertise. This is consistent with findings from a study conducted by Irda (2019), which found that students' enthusiasm for entrepreneurship at

SMK Negeri 1 Makassar was influenced by their exposure to information about starting a business. The following hypotheses can be made based on this description:

H1: Entrepreneurship knowledge has a positive and significant effect on students' interest in building a startup business

A person's financial literacy is measured by how well they understand and respond to financial information (Arianto, Zulfikar, & Tarmizi, 2020). When it comes to managing one's finances and making important life choices, financial literacy refers to the ability to do so with knowledge and understanding of key concepts and practical experience. The TPB theory provides the theoretical grounding for the conceptual framework, which explains how an individual's level of financial literacy impacts their conduct by way of their own subjective norms and their own sense of agency (Maullah & Rofiuddin, 2021). Understanding how literacy can be utilized by students as a tool to spark an interest in launching new businesses is the focus of this research, which draws on the concepts of behavioral attitudes, subjective standards, and perceptions of behavioral control. Students who are well-versed in the economics of starting a business are more likely to show an interest in the field, and vice versa, as measured by several indices of financial literacy. Students' behavioral attitudes will so promote an interest in entrepreneurship. According to Viana Sari's (2021) study, students' levels of financial literacy influence their levels of engagement at STKIP YPM Bangko in the current school year. Financial literacy has an effect on people's interest in entrepreneurship in the city of Yogyakarta, according to research by Wardani & Woli (2021). The following hypotheses can be made based on this description:

H2: Financial literacy has a positive and significant effect on students' interest in building a startup business

In their definition of motivation, Fatimah and Purdianto (2020) said that it originates "deep inside the human heart as a need to attain success." The TPB theory is a conceptual framework that seeks to explain how students' intrinsic motivations can spark an interest in launching a new venture. Students' motivation is viewed as a resource in this study because of the emphasis placed on behavioral attitudes, subjective norms, and beliefs about one's own behavioral control. In general, students whose motivations are piqued by the prospect of working on their own startup will show improvement in their motivational indicators. Therefore, pupils will be inspired to create their own businesses due to the influence of subjective norms. According to Agusmiati & Wahyudin's (2019) study of class XI accounting expertise programs at private vocational schools in Pekalongan Regency, students' levels of motivation have an effect on their level of interest in venturing out on their own. Another group of

researchers, Hidayah et al. (2022), came to the same conclusion: students' motivation has an effect on their enthusiasm for founding businesses. The following hypotheses can be made based on this description:

H3: Motives have a vital role in increasing students' enthusiasm for launching new businesses.

2. Method

Quantitative research techniques based on primary data collected through a questionnaire are employed. Students enrolled in the 2018 edition of the Undiksha Accounting S1 program constituted the study population. The sample size was determined using the Slovin formula, and 167 people were included in the study after being randomly selected by a purposive selection method. A Google form questionnaire was used to acquire the necessary information. Afterwards, SPSS version 20 for Windows was used to evaluate the information gathered. Descriptive statistical tests, tests of classical assumptions like normality, multicollinearity, and heteroscedasticity, and tests of hypotheses including the multiple linear regression test, t test, and coefficient of determination were used to analyze the obtained data.

3. Findings and Discussion

3.1. Findings

The results of descriptive statistical tests include the minimum score, maximum score, average and standard deviation. The description of each variable is presented in the following table.

TABLE 1: Descriptive Statistics Results.

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Entrepreneurship Knowledge	167	13	29	22,37	4,172
Financial Literacy	167	12	28	22,52	4,028
Motivation	167	13	27	23,13	4,314
Student Interest in Building a Startup Business	167	15	30	25,74	4,064

Source: Processed Data, 2022

The entrepreneurial knowledge variable (X1) has a minimum score of 13, a maximum value of 29, and an average value (mean) of 22.37, according to the descriptive statistics

table. The standard deviation for 167 samples is 4.172, therefore it is possible to conclude that the data are normally distributed.

Minimum score for the financial literacy variable (X2) is 15, maximum score is 30, and mean value is 22.52. If the data are normally distributed, it is possible to get a standard deviation of 4.028 from 167 samples.

Minimum value for the incentive variable (X3) is 13, maximum value is 27, and mean value is 23.13. The standard deviation for 167 samples is 4,314, therefore it is possible to conclude that the data are normally distributed.

The minimum score for the variable measuring student enthusiasm in launching a startup business (Y) is 13, the maximum is 27, and the mean is 25.74. With 167 samples and a standard deviation of 4.064, it is possible to conclude that the data are regularly distributed.

Following the research instrument test, the classical assumption test was performed. The classical assumption test consists of the normality test, the multicollinearity test, and the heteroscedasticity test, which are shown in table 2 below.

TABLE 2: Hasil Uji Asumsi Klasik.

Classic assumption test	Nilai/Output
Normality test	
Kolmogorov-Smirnov Z	1,119
asymp. Sig. (2-tailed)	0,118
Multicollinearity Test	
Tolerance	
Entrepreneurship Knowledge	0,126
Financial Literacy	0,132
Motivation	0,110
VIF	
Entrepreneurship Knowledge	7,952
Financial Literacy	7,600
Motivation	9,126
Heteroscedasticity Test	
Sig.	
Entrepreneurship Knowledge	0,449
Financial Literacy	0,600
Motivation	0,651

This study's normality test employed the One Sample Kolmogorov-Smirnov Test by examining the significant asymptotic values generated. The data are regularly distributed if the Asymptotic Significant value is greater than or equal to 0.05, and vice versa. Based on the results of this study's normality test, the significant value of the

data was greater than 0.05, namely 0.118. Therefore, it can be assumed that the data follows a normal distribution.

The multicollinearity test can be identified if the tolerance value is greater than 10% or 0.1 and the VIF value is less than 10. Conclusion: there is no evidence of multicollinearity in any of the independent variables used.

This study tests for heteroscedasticity using the Glejser test. If the significance level is greater than 0.05, there is no heteroscedasticity issue. According to the results of this study's heteroscedasticity test, the significant value (sig.) of the variables of entrepreneurial knowledge, financial literacy, and motivation exceeds 0.05. Consequently, it may be stated that the regression model lacks heteroscedasticity.

The study data have passed the classical assumption test; thus, the following step is to do multiple linear regression analysis to assess the effect of the independent variable on the dependent variable based on the results of the classical assumption test. In this study, the findings of multiple linear regression analysis are reported in table 3.

TABLE 3: Hasil Analisis Regresi Linear Berganda.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
(Constant)	4,280	0,531		8,068	0,000
Entrepreneurship Knowledge (X1)	0,174	0,063	0,179	2,781	0,006
Financial Literacy (X2)	0,174	0,063	0,172	2,738	0,007
Motivation (X3)	0,590	0,065	0,627	9,098	0,000

Source: Processed Data, 2022

Multiple linear regression analyses yielded a constant value of 4.280. There is a positive relationship between entrepreneurial knowledge and the desire to launch a new firm, as indicated by the 0.174 value for the corresponding regression coefficient for X1 (Y). Interest in launching a business is positively correlated with measures of financial literacy, as indicated by the positive direction of the regression coefficient for X2 (financial literacy) (Y). The positive direction of the motivation variable (X3) on the desire to launch a new venture is indicated by its regression coefficient value of 0.590. (Y).

The t-statistic test follows, in which the t-count and t-table values, together with the significance level, are compared. Independent variable influences dependent variable if $t_{count} > t_{table}$ and $p\text{-value} < 0.05$. The results of the regression reveal that the variable measuring entrepreneurial knowledge (X1) has a tcount of 2.781 and a significance level

of 0.006. At the 5% level of significance, $n=167$ yields a t_{table} score of 1.97462. This data suggests that H1 is accepted and drawn from a significance level of 0.006 0.05 if $t_{count} > t_{table}$ ($2.781 > 1.97462$). We conclude that X1 (students' entrepreneurial knowledge) significantly and positively affects students' desire to launch their own firm.

The significance level for the financial literacy variable (X2) is 0.007. The t_{count} value is 2.738. At the 5% level of significance, $n=167$ yields a t_{table} score of 1.97462. The data suggests that H2 is accepted and drawn from a 0.007 0.05 significant threshold if $t_{count} > t_{table}$ ($2.738 > 1.97462$). Student enthusiasm for launching a business is found to be significantly and favorably influenced by their level of financial literacy (X2). The t_{count} value for the monetary knowledge (X2) variable is 9.098 and the significance level is 0.000. At the 5% level of significance, $n=167$ yields a t_{table} score of 1.97462. H3 is accepted and a conclusion drawn from a significance threshold of 0.000 0.05 if $t_{count} > t_{table}$ ($9.098 > 1.97462$). A positive and statistically significant relationship is shown between X2 (students' financial literacy) and Y (their desire to launch a business).

The final test of hypothesizes is the coefficient of determination test, which attempts to quantify how well the model accounts for variation in the independent variables. The Adjusted R-Square is being used here since its value can be adjusted for the presence of further independent variables (Ghozali, 2016). Table 4 displays the outcomes of the coefficient of determination analysis:

TABLE 4: Coefficient of Determination Test Results.

Model Summary ^b				
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	0,957 ^a	0,915	0,914	1,19393

Source: Processed Data, 2022

Table 4.8 reveals that the Adjusted R-Square score is 0.914, indicating that the variation in entrepreneurial expertise (X1), financial literacy (X2), and motivation (X3) can explain 91.4% of the variation in interest in launching a startup (Y). Eight percent (8.6 percent) of students' interest in founding a business is affected by factors that were not assessed in this study.

4. Discussion

4.1. The Effect of Entrepreneurship Knowledge on Student Interest in Building a Startup Business

Students' interest in launching their own firm was positively correlated with their level of entrepreneurial knowledge, according to the findings of the first hypothesis test, which yielded a regression coefficient of 0.174 and a significance level of 0.006, both of which are less than 0.05. Since entrepreneurial knowledge has a favorable and significant effect on student interest in creating a new business, the first hypothesis can be accepted. The more students learn about starting their own businesses, the more interested they will be in doing so.

In order to create a successful and innovative business institution, entrepreneurs must be well-versed in the science of reacting to business possibilities (Mardiyatmo, 2005: 2). According to the TPB hypothesis, behavioral attitudes, subjective norms, and perceptions of behavioral control are the conceptual frameworks most likely to affect a person's attitude when performing something (Maullah & Rofiuddin, 2021). This research examines how students' attitudes, subjective norms, and beliefs about their own control of their conduct can inform their understanding of how entrepreneurial information can be used to spark interest in launching a firm. In most cases, a student's enthusiasm in launching a firm will increase if they have a solid foundation of knowledge in entrepreneurship. Therefore, students will be motivated to start their own businesses due to the influence of subjective norms.

Knowledge of entrepreneurship can be gained through formal study, self-study with books and the internet, and interaction with successful businesspeople. Courses in Entrepreneurship are included in the Accounting S1 curriculum, and they are required for students to complete the program in semester 6. Entrepreneurial theory is presented and expanded upon throughout the seminars, with suggestions for PMWs being offered. Students who take an entrepreneurship course will have the tools they need to think critically, creatively, and strategically, as well as the self-assurance to make sound judgments and recognize emerging market niches. You can't launch and manage a new firm without first learning the ins and outs of entrepreneurship, which is why learning the ropes is the first step in building a startup. This study shows that teaching students about entrepreneurship increases their enthusiasm for starting their own businesses.

This study's findings corroborate those of Sanchaya Hendrawan & Sirine (2017), who found that students' enthusiasm in starting their own businesses was related to how much they knew about entrepreneurship. This is consistent with findings from a study conducted by Irda (2019), which found that exposure to information about

entrepreneurship influences student enthusiasm for starting businesses at SMK Negeri 1 Makassar.

4.2. The Effect of Financial Literacy on Student Interest in Building a Startup Business

Student interest in launching a business was tested against the influence of financial literacy, and the outcome was a regression coefficient of 0.174 and a significance level of 0.007, both of which are less than 0.05. Thus, the second hypothesis is accepted, which states that there is a positive and significant effect of financial literacy on student interest in establishing a new firm. Students are more motivated to launch a business when they have a solid grasp of personal finance.

A person's financial literacy is measured by how well they understand and respond to financial information (Arianto, Zulfikar, & Tarmizi, 2020). When it comes to managing one's finances and making important life choices, financial literacy refers to the ability to do so with knowledge and understanding of key concepts and practical experience. The TPB theory provides the theoretical grounding for the conceptual framework, which explains how an individual's level of financial literacy impacts their conduct by way of their own subjective norms and their own sense of agency (Maullah & Rofiuddin, 2021).

Understanding how literacy can be utilized by students as a tool to spark an interest in launching new businesses is the focus of this research, which draws on the concepts of behavioral attitudes, subjective standards, and perceptions of behavioral control. Students who are well-versed in the economics of starting a business are more likely to show an interest in the field, and vice versa, as measured by several indices of financial literacy. Students' behavioral attitudes will so promote an interest in entrepreneurship.

According to CB Insight, as many as 29% of startups fail owing to running out of funds due to inadequate financial governance, which means that building a startup business for people who do not grasp the importance of financial information will have fatal implications. An individual's level of financial literacy has a direct impact on their interest in launching a startup firm while in school. A person's ability to make decisions, including the choice to launch a new firm, is enhanced by his level of financial literacy.

In particular at UNDIKSHA, the Accounting Study Program provides its students with tools and techniques in accounting that can be used to business. Naturally, students graduating from the Accounting Study Program have superior financial management skills to those of students graduating from other study programs due to the accounting information they acquire. The acquired accounting knowledge has great potential for

use in the commercial sector, including the establishment of a new venture. Therefore, accounting majors' familiarity with money matters will have a significant bearing on whether or not they're interested in launching a firm.

The aforementioned analysis and hypothesis suggest that increasing students' financial literacy can have a substantial and beneficial effect on their desire to launch a new business. This study's findings that STKIP YPM Bangko students' interest is impacted by their level of financial literacy are consistent with those of a study by Viana Sari (2021). Financial literacy has an effect on people's interest in entrepreneurship in the city of Yogyakarta, according to research by Wardani & Woli (2021).

4.3. The Influence of Motivation on Students' Interest in Building a Startup Business

The regression coefficient value was 0.590 units and the significance value was 0.000, both of which are smaller than 0.05, indicating that the third hypothesis testing the effect of motivation on students' interest in creating a startup business failed. As a result, the third hypothesis is supported, which finds that motivation significantly affects students' desire to launch their own businesses. Students' enthusiasm for creating a new company grows in proportion to their level of motivation.

Motivation, as defined by Fatimah & Purdianto (2020), is the inner drive that compels an individual to take action and see a task through to completion. The TPB theory is a conceptual framework that seeks to explain how students' intrinsic motivations can spark an interest in launching a new venture. Students' motivation is viewed as a resource in this study because of the emphasis placed on behavioral attitudes, subjective norms, and beliefs about one's own behavioral control. Therefore, pupils will be inspired to create their own businesses due to the influence of subjective norms.

Building a successful startup business requires a great deal of drive and enthusiasm from the people involved. Without internal motivation or drive, one's business endeavors are more likely to be carried out with a lackadaisical attitude, which in turn affects the business's performance. Since inspiration is the push one needs to take action, motivation is crucial to getting a business off the ground and seeing success. Students' motivation to launch a business might be boosted by helping them better understand their own strengths and weaknesses. If a student has already discovered interests that align with the direction of the business being started, then they will be able to think creatively and explore further into the capabilities of starting a business. You can also

learn from the experiences of those who have already found success in the startup business or discover brand-new opportunities.

Based on the theoretical discussion and empirical evidence shown above, it can be concluded that motivation has a positive and significant effect on business students' enthusiasm for starting their own companies. This study's findings are consistent with those of Agusmiati & Wahyudin (2019), who found that motivation has an effect on interest in the accounting curriculum at SMK swasta in the Pekalongan district's eleventh grade. Research by Hidayah et al. (2022) corroborates these findings by showing that students' motivations have a significant impact on their desire to launch their own businesses while they are still in school.

5. Conclusions and Suggestions

5.1. Conclusion

The following inferences can be made in light of the analysis and discussion that has taken place: (1) There is a favorable and statistically significant correlation between entrepreneurship education and student enthusiasm for launching new enterprises. (2) Student enthusiasm for entrepreneurship is increased by a statistically significant amount when they have a firm grasp of personal finance basics. (3) Students' enthusiasm for launching a business is influenced favorably and significantly by their level of motivation.

5.2. Suggestions

In light of the foregoing, the author makes a number of recommendations, including (1) encouraging students in the Undiksha Accounting Study Program who are enthusiastic about launching new businesses to devote more time and effort to developing their entrepreneurial prowess, financial acumen, and drive. Since it has been shown in this research that these elements have a significant impact on motivation to launch a new business, they can also improve the odds of success in doing so. (2) Future researchers, it is believed, will be able to maximize research results by employing other variables, so generating a richer and more diverse set of research outcomes.

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