

## The Impact of Entrepreneurial Knowledge on College Students' Entrepreneurial Interest with Self-Efficacy as a Mediating Variable

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### Abstract

This research endeavors to examine the effect of entrepreneurial knowledge on students' entrepreneurial interest, with self-efficacy serving as a mediating variable. The primary focus of the research is on students who have completed the Independent Business Project (Proyek Usaha Mandiri, PUM) course in the agricultural sector at Politeknik Pertanian Negeri Payakumbuh. The methodology employed is a descriptive research design utilizing a survey method, wherein primary data were collected through structured questionnaires. The research sample consisted of 35 respondents selected using a multiple stage sampling technique. Data analysis was conducted using the Partial Least Square (PLS) structural equation modeling approach. The findings reveal that entrepreneurial knowledge exerts a significant influence on self-efficacy ( $p$ -value = 0.000), indicating that mastery of operational, marketing, and financial content provides a cognitive foundation for students to assess their own capabilities in managing business ventures. Furthermore, self-efficacy was found to have a significant effect on entrepreneurial interest ( $p$ -value = 0.000), demonstrating that belief in one's personal capacity serves as the primary psychological driver in choosing an entrepreneurial career path. The mediation test confirms that self-efficacy plays a significant role as a "cognitive bridge" ( $p$ -value = 0.000) linking entrepreneurial knowledge to entrepreneurial interest. The model yields a Q-square value of 0.69, indicating a strong predictive relevance of 69%. In conclusion, this study emphasizes that knowledge acquired through experiential learning approaches such as the PUM course is more effective in shaping perceptions of personal competence compared to traditional lecture-based methods. Higher education institutions are advised to continue strengthening field-based learning methodologies and to provide supporting infrastructure, such as business incubators, in order to mitigate perceptions of financial risk and reinforce students' mental readiness for entrepreneurial endeavors.

**Keywords:** Entrepreneurial Interest; Entrepreneurial Knowledge; Experiential Learning; Independent Business Project; Self-Efficacy

### Introduction

Amidst the currents of globalization and increasingly intense economic competition, entrepreneurship has emerged as a primary driver of economic growth, job creation, and societal welfare enhancement. The presence of innovative and adaptive entrepreneurs is indispensable in responding to complex socio-economic challenges (Utama et al., 2026). Entrepreneurship constitutes a value-creation process that applies creativity and innovation to solve problems and identify opportunities for business sustainability (Gelion, 2023). Entrepreneurs are viewed as

agents of change capable of recognizing market opportunities and mobilizing various resources to generate valuable innovations (Gayatri, 2025)

Entrepreneurship constitutes a crucial economic sector that contributes significantly to national development and the financial stability of society. The higher education sector has come to view entrepreneurship as a critical mechanism through which graduates may exercise agency over their career trajectories, transitioning from passive job seekers to active employment generators (Samsudin et al., 2016).

Initially, entrepreneurship was regarded as an innate talent present from birth and honed through direct field experience; however, this paradigm has since shifted. Entrepreneurship has evolved into a formal discipline that examines values, abilities, and individual behavior in confronting life's challenges to seize opportunities amid the various risks that may arise. As an academic discipline, entrepreneurship can be studied and taught, thereby affording every individual the opportunity to emerge as an entrepreneur (Siregar et al., 2024). Entrepreneurial interest is a fundamental psychological construct that plays a critical role in propelling individuals toward engagement in self-employed business activities. This phenomenon not only reflects a person's fascination with and attentiveness to the entrepreneurial realm but also indicates the existence of a potent internal impetus to act upon such inclinations. Within the framework of career choice, entrepreneurial interest emerges as a primary determinant that conditions an individual's readiness to embark upon and sustain a business enterprise. Moreover, this interest materializes through psychological motivation, steadfast commitment, and the willingness to assume risks associated with the establishment and management of a business (Aulia et al., 2025).

The reality on the ground reveals a rather conspicuous gap between the ideal potential of university graduates and their actual participation in the entrepreneurial sector. Although various studies and policies have underscored the importance of entrepreneurship as a strategic career option, empirical data indicate that entrepreneurial interest among university students and young people remains relatively low. This phenomenon is reflected in the still limited number of higher education graduates who choose entrepreneurship as their primary pathway upon completing their studies; the majority continue to prefer formal-sector employment as job seekers, whether in government institutions or private companies. This persists despite the fact that the formal labor market is unable to absorb the entire annual output of graduates. Aisyah et al., (2023) contends that unemployment remains a serious concern for Indonesia, driven by the insufficient capacity of the labor market to remain aligned with the expansion of the working-age population. Wiranata & Puspitowati (2026) similarly asserts that higher education graduates have yet to be optimally absorbed into conventional job markets. CNBC Indonesia (2025), as cited by Wiranata & Puspitowati (2026), reported that the entrepreneurship rate in Indonesia stood at 3.57%. This percentage is still below that of Malaysia and Thailand, both of which have surpassed 4%, and Singapore, where the rate has reached 8.6%.

At the Payakumbuh State Agricultural Polytechnic, there is a course entitled Independent Business Project (Proyek Usaha Mandiri, or PUM), in which students directly execute a business venture from the planning stage through to its completion within a specified timeframe. Throughout the implementation of this course, students receive guidance from lecturers, starting from the preparatory phase before the PUM is carried out both in terms of theoretical instruction and field implementation until the PUM is fully completed in accordance with the predetermined schedule.

With the possession of knowledge, an individual will develop confidence in their ability concerning what they know. This belief in one's own capability will then mediate the relationship

between their knowledge and the interest associated with that knowledge. According to Bandura (1997), the knowledge possessed by an individual does not merely function as a stack of information stored within the cognitive domain, but also carries deeper psychological consequences, namely the emergence of belief in one's own competence, or self efficacy. The emergence of this belief constitutes a logical continuation of the process of knowledge internalization, in which individuals reflectively evaluate their own capacity based on the extent of understanding and mastery they have achieved in a particular field of knowledge or skill.

In accordance with the foregoing explanation, the impact of students' knowledge acquired through formal entrepreneurship education at the university level on their entrepreneurial interest warrants further scientific investigation. Furthermore, between knowledge and interest, it is also necessary to examine self efficacy as influenced by knowledge, as well as its effect on students' entrepreneurial interest.

This study examines the entrepreneurial interest of students who have received formal entrepreneurship education at the college level, specifically by analyzing the influence of students' knowledge after they carried out an independent business project in the agricultural field. Entrepreneurial interest is analyzed starting from its influencing factor, namely entrepreneurial knowledge acquired by students through the implementation of the Independent Business Project in the agricultural sector, with self-efficacy serving as a mediating variable. The objective of this study is to analyze students' entrepreneurial interest as influenced by knowledge acquired after the implementation of the Independent Business Project in the Agricultural Sector, with self-efficacy as a mediating variable.

## Literature Review

Knowledge is fundamentally understood as the output of the human perceptual process toward an object through the stimulation of the five senses, wherein sight and hearing serve as the most dominant channels of information acquisition. From a cognitive perspective, knowledge represents an individual's intellectual capacity to store memories, retain information, and reproduce data or information that has been previously absorbed (Hendrawan & Sirine, 2017). Furthermore, Hendrawan & Sirine (2017) and E. K. Sari (2019) explain that the dimension of knowledge also encompasses an individual's ability to recall records of past events, although this is not necessarily accompanied by the demand for functional competence to apply such knowledge practically in action. From the perspective of cognitive psychology, knowledge cannot be reduced merely to a passive accumulation of sensory data, but rather constitutes an active construction involving cognitive schemata, working memory, and long-term storage mechanisms. In this regard, knowledge is understood as an individual's intellectual capacity not only to retain memory traces, but also to reproduce and recognize previously absorbed information. Hendrawan & Sirine (2017) put forward the thesis that such capacity serves as the foundation for what is subsequently termed declarative knowledge, namely knowledge about "what" (know-what) that is factual and episodic in nature. Meanwhile, (E. K. Sari, 2019) expands this scope by emphasizing that the dimension of knowledge also encompasses an individual's ability to recall past events—a function heavily dependent on the integrity of the limbic system, particularly the hippocampus—yet without automatically entailing the demand for functional competence to apply that knowledge practically in action.

Entrepreneurial knowledge constitutes the totality of information processed and possessed by an individual regarding concepts, processes, marketing strategies, risk management, and business management procedures (U. P. Sari et al., 2024). According to Besi et al., (2023), entrepreneurial knowledge is fundamentally defined as the totality of information, understanding, and intellectual competence held by an individual. Entrepreneurship, in essence, represents a manifestation of

creative activity grounded in innovation, aimed at identifying and optimizing various business opportunities to achieve financial gains while simultaneously providing benefits to the broader community. The integration of the concepts of knowledge and entrepreneurship gives rise to an understanding of entrepreneurial knowledge, namely the intellectual capacity internalized by individuals through formal education to facilitate the innovation process and readiness to pursue a career in the business world. In line with this view, Mustofa (2014) in his work, affirms that such knowledge reflects an individual's proficiency in generating novelty value through the synergy of creative thinking patterns and innovative actions, thereby enabling various potential opportunities to be managed and utilized optimally (Hendrawan & Sirine, 2017).

Haris et al. (2020) explains that entrepreneurial knowledge can be acquired through entrepreneurship education. Entrepreneurship education is understood as a systematic initiative undertaken by academic institutions to instill entrepreneurial knowledge, values, and spirit as well as attitudes in students, with the aim of cultivating independent and innovative individuals. In line with the view of (Keat et al., 2011), the fundamental orientation of this program is to transform students' paradigms, patterns of action, and academic interests so that they possess a strong entrepreneurial mindset. Through the development of such competencies, students are expected to become successful entrepreneurs capable of establishing new business units while simultaneously creating various employment opportunities for the community. Kuratko and Hodgetts (2007) also assert that entrepreneurship can be taught through education and training. Entrepreneurship is characterized by established models, operational processes, and illustrative case studies, all of which contribute to the comprehensibility of the domain and enable the acquisition of entrepreneurial competencies (E. K. Sari, 2019).

Entrepreneurial knowledge is not merely a matter of theoretical understanding, but rather the outcome of a comprehensive entrepreneurial education system. Such education serves as a stimulus to endow students with hands-on capabilities, including problem-solving abilities and creativity (Keoy et al., 2022). Othman et al., (2016) further asserts that formal education constitutes a key factor in providing entrepreneurs with both a theoretical foundation and analytical skills.

Heizer & Barry Render (2009), explains that a business or enterprise is an organization that sells goods or services to consumers or other businesses in order to generate profit. To produce goods and services, all types of organizations perform three functions. These functions are essential, not only for the production process but also for the sustainability of an organization. These functions are as follows: (1) Marketing, which generates demand, or at the very least receives orders for a product or service (no activity would occur without sales), (2) Operations, which produces the product, (3) Finance/accounting, which monitors the financial health of an organization, pays bills, and collects revenues.

Self-efficacy is defined as an individual's belief in their ability to plan and implement the the actions necessary to achieve successful performance on a specific task within a particular context (Choong et al., 2016). Mokodompit & Saputra (2026) further elaborates that, in the context of entrepreneurship and organizational management, self-efficacy is conceptualized as an individual's deep-seated conviction regarding their capacity to coordinate and execute the necessary actions to achieve particular objectives. Amalia (2016), explains that entrepreneurial competence is fundamentally formed through the integration of theoretical knowledge and practical experience. This competence is acquired through entrepreneurship education, which provides both entrepreneurial knowledge and hands-on experience.

The presence of knowledge within an individual does not merely remain at the cognitive level as

an accumulation of information; rather, it carries further psychological implications, namely the formation of self-efficacy. This belief emerges as a logical consequence of the internalization process of knowledge, in which individuals assess their own capacity based on the understanding and mastery they have acquired in a particular domain. Within the social cognitive theoretical framework proposed by Bandura (1997), self-efficacy refers to an individual's belief in their ability to coordinate and implement the necessary actions to achieve a desired level of performance. The deeper and more comprehensive the knowledge possessed, the stronger the individual's belief in their capability to act effectively in situations relevant to that knowledge. This confidence in one's personal capabilities serves as a mediating variable that connects knowledge with an individual's interest in the object or activity related to that knowledge. This mediating relationship can be explained through the following psychological mechanism: knowledge provides a cognitive foundation that enables individuals to understand the demands and challenges within a given field; this understanding then triggers self-appraisal regarding one's capacity to engage and achieve in that field; in turn, positive belief in one's own ability generates a sense of attraction, curiosity, and affective involvement that drives individuals to continuously develop their interest. In other words, knowledge unaccompanied by belief in one's own ability tends to be insufficient to foster sustainable interest, as individuals may feel incompetent even though they factually possess adequate knowledge (Bandura, 1997).

Interest is defined as a sense of liking or attraction toward a particular object or activity, arising without external compulsion. In an economic context, entrepreneurial interest refers to the drive or desire to establish a business venture distinguished by creativity and innovation with the aim of generating employment opportunities and transforming an individual's economic circumstances (Pratama et al., 2021). Entrepreneurial interest or inclination is further characterized as an individual's willingness to select entrepreneurship as a prospective career pathway (Keat et al., 2011).

Entrepreneurial interest can be defined as a psychological condition reflecting an individual's tendency to be attracted to, pay attention to, and possess a strong drive to engage in independent business activities. This interest constitutes one of the critical factors influencing an individual's decision to initiate and develop entrepreneurial endeavors. Entrepreneurial interest is positioned as an initial determinant that shapes the sustainability of the entrepreneurial process. It is conceptualized as a psychological impetus, a strong desire, and a willingness to work diligently and assume risks in establishing one's own business (Aulia et al., 2025). Entrepreneurial interest refers to an individual's desire, attraction, and willingness to commit to establishing and operating a business venture in the future (Gayatri, 2025). One of the factors that entrepreneurial knowledge constitutes a determinant that can shape entrepreneurial interest (Aisyah et al., 2023). The entrepreneurial interest and knowledge possessed by students are expected to foster a propensity to initiate and develop new business ventures in the future (E. K. Sari, 2019). According to Haqiqi & Cahya (2023) and Hendrawan & Sirine (2017), entrepreneurial interest constitutes a psychological tendency within an individual to initiate a business entity, encompassing the capacity to organize, manage operations, and demonstrate readiness to mitigate associated development risks.

Samsudin et al. (2016) posits that entrepreneurial interest or intention is defined as a predisposition toward self-employment and autonomy. Entrepreneurial interest or intention is further characterized as a mindset oriented toward action for the purpose of effecting improvement. This factor is significantly influenced, inter alia, by self-efficacy. Entrepreneurial interest can be understood as a psychological phenomenon involving the concentration of attention and positive affective drive toward business activities, as it is believed to provide beneficial value for both the individual and the social environment. More comprehensively, this

condition represents aspirations, enthusiasm, and strong determination and commitment to initiate the application of creative ideas through persistent hard work in order to achieve economic independence. Zimmerer (1996), as cited in E. K. Sari (2019), posits that entrepreneurship education constitutes an external determinant in the formation of entrepreneurial interest.

In the intersecting fields of cognitive psychology and entrepreneurship research, knowledge is conceptualized as the primary cognitive foundation that determines how individuals interpret their environment and subsequently act upon it. Knowledge extends beyond a mere compilation of data or rote memorization of past events; rather, it constitutes the synthesized product of sensory input that is encoded and retained as intellectual capital. When applied and contextualized within the commercial sphere, such knowledge evolves into what is termed entrepreneurial knowledge defined as the comprehensive body of information, conceptual understanding, and intellectual capabilities that an individual possesses with respect to business principles, marketing strategies, risk assessment, and the procedural mechanics of enterprise management.

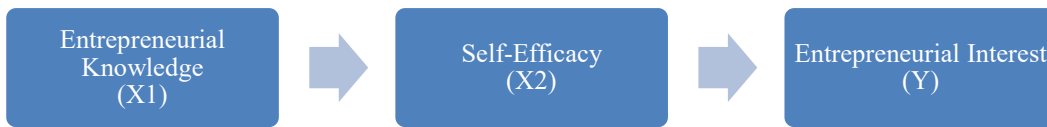
Entrepreneurial knowledge is not acquired instantaneously, it is developed progressively through systematic formal education undertaken at both secondary and tertiary institutions. Entrepreneurship education functions as a critical stimulus that cultivates entrepreneurial values, mindsets, and behavioral dispositions. Going beyond the transmission of theoretical concepts, this form of education also provides students with practical competencies, such as creative problem solving and innovative thinking. As a result, individuals equipped with robust entrepreneurial knowledge possess not only a conceptual understanding of "what" constitutes a business, but also the procedural know how of "how" to effectively manage and sustain one.

his comprehensive body of knowledge subsequently functions as the principal catalyst in the formation of self belief, or self efficacy. Self efficacy is conceptualized as an individual's deep-seated conviction regarding their capacity to organize and execute the sequences of action necessary to attain successful performance in specific tasks. Within the entrepreneurial domain, self-efficacy denotes the belief that one possesses the requisite abilities to manage a business venture, formulate strategic decisions, and effectively respond to challenges. Such belief does not materialize in a vacuum; rather, it is cultivated through the synergistic integration of theoretical knowledge derived from formal education and hands-on practical experience. The more extensive and robust an individual's knowledge pertaining to entrepreneurship, the greater their self efficacy tends to be, as they perceive themselves to be well prepared to contend with the complexities and uncertainties inherent in the business environment.

Ultimately, elevated self efficacy constitutes the principal driving force behind the emergence of entrepreneurial interest. Entrepreneurial interest is conceptualized as a psychological propensity that encompasses an individual's affinity, attraction, and preparedness to select entrepreneurship as a career trajectory. This interest manifests as a genuine aspiration to establish and operate creative and innovative business enterprises, aimed at generating employment and enhancing socioeconomic status. When individuals are confident in their capabilities that is, when they possess robust self efficacy they exhibit greater risk tolerance, increased perseverance, and heightened motivation to translate their business concepts into reality. In essence, self efficacy functions as a cognitive bridge that connects the possession of entrepreneurial knowledge with the concrete execution of business start up activities.

Based on the theoretical elaboration above, it can be observed that entrepreneurial knowledge influences entrepreneurial interest, with self-efficacy positioned between knowledge and entrepreneurial interest. Self-efficacy refers to an individual's capability to run a business venture, and this self-efficacy is shaped by the knowledge possessed by the individual. The conceptual

framework of the research variables can be delineated as follows:



**Figure 1. Conceptual Framework**

Research Hypotheses:

Hypothesis 1 : Entrepreneurial knowledge has a significant effect on self-efficacy.

Hypothesis 2 : Self-efficacy has a significant effect on entrepreneurial interest.

Hypothesis 3 : Entrepreneurial knowledge has a significant effect on entrepreneurial interest through the mediating role of self-efficacy

## Research Method

This study was conducted at the Payakumbuh State Agricultural Polytechnic. The research framework incorporated Entrepreneurial Knowledge (X1) as an independent variable, operationalized through the indicators of; (X1a) Operational Knowledge, (X1b) Marketing Knowledge, and (X1c) Financial Knowledge; Self-Efficacy (X2) as an independent variable, measured by (X2a) Belief in Operational Capability, (X2b) Belief in Marketing Capability, and (X2c) Belief in Financial Capability; and Entrepreneurial Interest (Y) as the dependent variable, assessed using the indicators of (Ya) Desire to become an entrepreneur, (Yb) Interest in business activities, (Yc) Willingness to initiate a business, (Yd) Future business planning, and (Ye) Commitment to pursuing an entrepreneurial career. A descriptive research design was adopted for this investigation. As defined by Nazir (2025), a descriptive approach constitutes a method for examining an object, the status of a human group, a system of thought, a series of conditions, or a class of contemporary phenomena. The specific descriptive method employed in this study was the survey method. The data sources comprised primary data collected via structured questionnaires distributed to respondents, and secondary data gathered from relevant scholarly literature. The sampling technique employed was multiple stage sampling. According to (Nazir, 2025), this technique involves drawing samples from population subgroups, wherein not all members of the population are included; rather, only selected members of each subpopulation are incorporated into the sample. The target population consisted of active students at the Payakumbuh State Agricultural Polytechnic who had completed an Independent Business Project in the agricultural sector. The final sample comprised 35 respondents, a size that aligns with the recommended minimum sample range of 30 to 100 respondents for Partial Least Square (PLS) analysis. Data analysis was performed using Partial Least Square (PLS) structural equation modeling. PLS is employed as an analytical tool owing to its dual capacity to both confirm theoretical propositions and to elucidate the presence or absence of relationships among latent variables for predictive purposes (Ghozali, 2001). The research instrument was subjected to validity and reliability testing. Hypothesis testing was conducted utilizing the bootstrapping procedure, with statistical significance determined at the threshold of p-value < 0.05.

To assess the predictive capability of the structural model, the Q-Square calculation is employed, using the following formula:

$$Q^2 = 1 - [(1 - R_1^2) \times (1 - R_2^2) \times \dots \times (1 - R_p^2)]$$

Note:

$Q^2$  = Predictive relevance value

1 = Constant in the Q-Square formula

$R_1^2$  = Coefficient of determination (R-Square) value of the first dependent variable

$R_2^2$  = Coefficient of determination (R-Square) value of the second dependent variable

$R_p^2$  = Coefficient of determination (R-Square) value of the independent variable

## Results and Discussion

### Outer Model

The outer loading values in this study are  $> 0.7$ , indicating that all indicators are declared valid. Further details is presented in Figure 1.

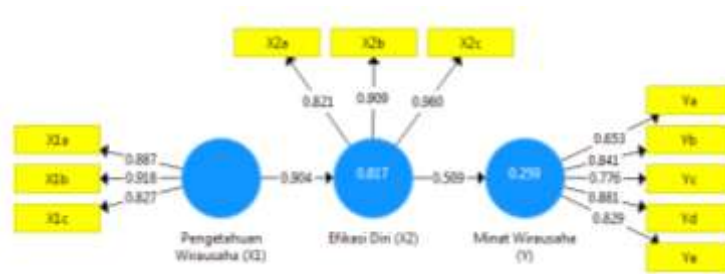


Figure 1. Path Diagram

The AVE values indicate that each variable has a value  $> 0.5$ , as can be seen as presented in table 1.

Table 1. Average Variance Extracted (AVE) Analysis

Variable	Average Variance Extractet (AVE)
Entrepreneurial Knowledge (X1)	0,771
Self-Efficacy (X2)	0,807
Entrepreneurial Interest (Y)	0,640

Discriminant validity testing is seen using the cross loading method. The results of the discriminant validity testing indicate that all indicators met the established criteria, as the cross-loading value of each indicator was higher than its loadings on other constructs. Further details can be seen in Table 2 below. Accordingly, all variables in this study are declared valid.

Table 2. Factor Cross-Loading Values

	Self-Efficacy (X2)	Entrepreneurial Interest (Y)	Entrepreneurial Knowledge (X1)
X1a	0,756	0,438	0,887
X1b	0,874	0,554	0,918
X1c	0,742	0,437	0,827
X2a	0,821	0,326	0,711
X2b	0,909	0,539	0,847
X2c	0,960	0,485	0,867
Ya	0,161	0,653	0,177

Yb	0,490	0,841	0,472
Yc	0,298	0,776	0,370
Yd	0,555	0,881	0,582
Ye	0,317	0,829	0,398

The results of the reliability analysis indicate that each latent variable is declared reliable. This is evident from the Cronbach's Alpha and Composite Reliability values, which are > 0.7. Accordingly, each variable has met the reliability testing criteria. Further details are presented in Table 3.

Table 3. Cronbach's Alpha and Composite Reliability Values

Variable	Cronbach's Alpha	Composite Reliability
Entrepreneurial Knowledge (X1)	0,851	0,910
Self-Efficacy (X2)	0,880	0,926
Entrepreneurial Interest (Y)	0,865	0,898

### Inner Model

The coefficient of determination results indicate that the self-efficacy variable (X2) has an R<sup>2</sup> value of 0.817, and the entrepreneurial interest variable (Y) has an R<sup>2</sup> value of 0.259.

The Q-square values are as follows:

$$Q^2 = 1 - [(1 - 0,817^2) \times (1 - 0,259^2)]$$

$$Q^2 = 1 - [(1 - 0,667489) \times (1 - 0,067081)]$$

$$Q^2 = 1 - [(0,332511) \times (0,932919)]$$

$$Q^2 = 1 - 0,3102058$$

$$Q^2 = 0,69$$

A Q-square value > 0 indicates that the model has predictive relevance. The results show that the Q<sup>2</sup> value is 0.69, meaning that the analytical model can explain 69% of the phenomenon under study, while the remainder is influenced by other factors not examined in this research.

### Hypothesis Testing

The basis for hypothesis decision-making in this study is that if the p-value (probability) is < 0.05, then the hypothesis is accepted, and vice versa. A detailed description of the effects among variables based on the results are shown in Table 4.

Table 4. Path Coefficient

Effect	Original Sample	Sample Mean	Standar Deviasi	T Statistic	P Values
Entrepreneurial Knowledge (X1) => Self-Efficacy (X2)	0,904	0,908	0,034	26,866	0,000
Self-Efficacy (X2) => Entrepreneurial Interest (Y)	0,509	0,573	0,104	4,916	0,000

The results of the first hypothesis test show a p-value of 0.000 ( $< 0.05$ ), indicating that entrepreneurial knowledge has a significant effect on self-efficacy. This suggests that the better the students' entrepreneurial knowledge, the higher their self-efficacy will be.

The results of the hypothesis testing confirm that entrepreneurial knowledge is not merely an accumulation of cognitive information, but rather possesses profound psychological implications for the formation of students' self-efficacy. Drawing upon Bandura (1997), Social Cognitive Theory, a comprehensive understanding and mastery of the entrepreneurial domain triggers a process of self-appraisal. Mechanistically, knowledge provides the cognitive foundation for students to comprehend the demands and challenges inherent in the business world. When students perceive themselves as possessing a strong knowledge base, their perceived ability to plan and carry out the requisite actions to attain designated performance outcomes that is, self-efficacy increases in a linear fashion. Conversely, superficial mastery of knowledge may lead individuals to feel factually incompetent, thereby inhibiting the formation of self-belief even when opportunities are available.

The findings of this study reinforce those of Wiranata & Puspitowati (2026), who assert that self-efficacy constitutes a key variable in converting external factors into internal readiness. However, the present study documents a significant distinction: whereas family environmental factors require full mediation by self-efficacy to influence entrepreneurial interest, entrepreneurial knowledge exerts a dual impact affecting entrepreneurial interest both directly and indirectly through self-efficacy. This suggests that knowledge occupies a more strategically advantageous position compared to social support.

This evidence is in accordance with the conclusions drawn by Hendrawan & Sirine (2017), which demonstrated that under conditions where motivation for independence is not significant for instance, among students from economically established backgrounds technical knowledge emerges as the single most relevant variable in shaping career orientation. This evidence substantiates that self-efficacy cultivated through knowledge possesses a universal character, transcending diverse demographic backgrounds.

The studies by Amalia (2016) and Gayatri (2025) offer an additional perspective, suggesting that self-efficacy attains a more sustainable level when knowledge is acquired through practical methods or direct experiential learning such as through Student Company programs. While theoretically oriented entrepreneurship education does statistically enhance self-efficacy, the integration of hands-on experience is considered more effective in translating knowledge into tangible action commitment.

This study supports the general consensus found in the literature that knowledge constitutes an initial determinant in shaping the sustainability of the entrepreneurial process. As articulated by Aisyah et al. (2023) and E. K. Sari (2019), the synergy between knowledge and self-efficacy generates a robust "psychological drive" that emboldens students to embrace risk-taking and to initiate independent business ventures in the future.

In the first hypothesis, it was established that the higher the students' level of entrepreneurial literacy, the stronger their belief in overcoming obstacles associated with business establishment, which in turn serves as a primary predictor of their entrepreneurial intention or interest.

The results of the second hypothesis test show a p-value of 0.000 ( $< 0.05$ ), indicating that self-efficacy has a significant effect on entrepreneurial interest. This suggests that the higher the students' self-efficacy, or their level of confidence in their entrepreneurial abilities, the higher their entrepreneurial interest will be.

The results of the second hypothesis testing indicate that self-efficacy exerts a statistically significant influence on students' entrepreneurial interest. This observation indicates that entrepreneurial interest is not merely a passive attraction, but rather a psychological condition that is heavily contingent upon an individual's belief in their own capacity. In this context, self-efficacy functions as a psychological impetus and an initial determinant that shapes the sustainability of the entrepreneurial process. Mechanistically, when students possess high confidence in their ability to organize and execute the requisite actions, they develop affective engagement, curiosity, and attraction toward the business world. Conversely, mastery of knowledge or creative ideas alone is deemed insufficient to foster sustained interest if individuals feel personally incompetent in confronting risks and operational challenges. Thus, the enhancement of self-efficacy directly augments students' aspirations, enthusiasm, and commitment to achieving economic independence through entrepreneurial pathways.

This result corroborates the work of Putri et al. (2026), which asserts that even high levels of student creativity will not translate into genuine interest without the mediating role of self-efficacy. Self-efficacy acts as a "psychological channel" that facilitates the translation of creative concepts into market-ready implementation. This reinforces the position of self-efficacy as a considerably more potent variable than mere personal attributes.

The study by Wiranata & Puspitowati (2026) provides additional empirical support by demonstrating that support from the family environment exerts no direct influence on entrepreneurial interest unless it is channeled through the internalization of perceived personal competence namely, self-efficacy. This indicates that self-efficacy constitutes a key variable that transforms social support into concrete career aspirations.

Gayatri (2025) observes that although financial risk remains a palpable psychological barrier, the enhancement of self-efficacy through practical experience can assist students in managing such concerns. Entrepreneurial knowledge also plays a role in ameliorating negative perceptions and uncertainty regarding the stability of an entrepreneurial career, thereby further strengthening students' self-efficacy.

However, a contrasting finding emerges from Hendrawan & Sirine (2017), who demonstrate that among students from economically established family backgrounds, motivational and autonomy-related factors which are associated with self-efficacy sometimes exert no significant influence, as the need for wealth accumulation no longer serves as the primary driving force. In this particular demographic, operational technical knowledge emerges as a more relevant variable than the cultivation of attitudes or motivation alone.

With respect to the second hypothesis, the evidence obtained from this research validate that self-efficacy constitutes a primary determinant in triggering entrepreneurial intention. The synergy between intrinsic personal attributes such as passion and self-confidence and extrinsic competencies including knowledge and capital is essential for cultivating holistic career readiness among students. Accordingly, it is recommended that higher education curricula extend their focus beyond technical subject matter to encompass the systematic strengthening of students' self-confidence through structured programs.

Table 4. Specific Indirect Effect

Effect	Original Sample	Sample Mean	Standar Deviasi	T Statistic	P Values
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Entrepreneurial Knowledge (X1) => Self-Efficacy (X2) => Entrepreneurial Interest (Y)	0,460	0,519	0,092	4,993	0,000
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The results of the third hypothesis test show a p-value of 0.000 ( $< 0.05$ ), indicating that knowledge, through self-efficacy as a mediating variable, has a significant effect on entrepreneurial interest. This suggests that self-efficacy is capable of mediating the relationship between knowledge and entrepreneurial interest.

The results of the third hypothesis testing empirically demonstrate that self-efficacy serves as a significant mediating variable between entrepreneurial knowledge and entrepreneurial interest. This finding implies that knowledge does not automatically translate into interest merely through the accumulation of cognitive information. Rather, a psychological mechanism operates in which the knowledge acquired by students is internalized to trigger a self-appraisal of their capacity to manage business challenges. Drawing upon Bandura's Social Cognitive Theory, knowledge provides the cognitive foundation that enables individuals to comprehend the demands of the entrepreneurial domain, which in turn fosters the belief that is, self-efficacy required to act effectively. In the absence of this belief, even adequate factual knowledge tends to be insufficient for cultivating sustained interest, as individuals may continue to feel incompetent to execute their business ideas.

The present findings align with those obtained by Wiranata & Puspitowati (2026) however, an important distinction emerges. Whereas the influence of the the influence of family background on entrepreneurial interest requires full mediation through self-efficacy, entrepreneurial knowledge demonstrates a dual impact both direct and indirect. This evidence substantiates that knowledge occupies a more strategically advantageous position, as it is capable of triggering interest directly while simultaneously reinforcing students' mental readiness through the mediating pathway of self-efficacy.

These findings reinforce the research of Putri et al. (2026), which demonstrates that self-efficacy functions as a psychological conduit not only for knowledge but also for creativity. In the absence of self-efficacy mediation, students' innovative ideas and theoretical understanding fail to advance beyond the ideation stage toward tangible business execution.

The studies by E. K. Sari (2019) and Gayatri (2025) note that the primary barriers to entrepreneurial interest are negative perceptions regarding uncertainty and financial risk. Within this framework, the findings of this research demonstrate that the mediating role of self-efficacy is critically important; entrepreneurial knowledge contributes to providing objective and realistic insights, which in turn enhance students' self-confidence that is, their self-efficacy to mitigate such risks, thereby transforming anxiety into proactive interest.

Studies by Gelion (2023) and Haqiqi & Cahya (2023) emphasize that the development of robust entrepreneurial interest requires the integration of intrinsic personal attributes such as passion and motivation with extrinsic competencies, including knowledge. The results of the present investigation provide statistical evidence that self-efficacy serves as the bridge unifying these two dimensions, transforming "strategic insight" into the "driving energy" required to initiate new ventures.

Overall, the result of this research validate that self-efficacy serves as the primary catalyst in entrepreneurship education. The statistical significance (p-value = 0.000) supports the argument that higher education curricula should not be confined to the delivery of technical content alone,

but must be explicitly designed to enhance students' self-confidence through programs that strengthen their perceived personal competence. This is essential to ensure that the knowledge imparted is effectively transformed into tangible career commitment in the future.

A deeper examination of the findings and their implications concerning the effect of entrepreneurial knowledge on self-efficacy within the context of this research site can be elucidated through the implementation of the Independent Business Project (PUM) course. The PUM affords students the opportunity not merely to passively assimilate theoretical material, but also to engage in hands-on practice encompassing the entire spectrum of business activities, from initial planning through to final evaluation. From a theoretical standpoint, this provides empirical support for the proposition that operational, marketing, and financial knowledge acquired via experiential learning is substantially more efficacious in fostering a "I am capable" self-perception than traditional, lecture-based pedagogical methods.

In addition to self-efficacy, a range of other psychological variables including intrinsic motivation and entrepreneurial spirit also warrant consideration. Motivation is conceptually framed as the "fuel" that translates cognitive comprehension into a tangible inclination to pursue and explore business opportunities. Entrepreneurial spirit, in turn, serves as a propulsive force that enables individuals to organize and mobilize available resources toward entrepreneurial ends. Creativity further emerges as a significant contributory factor; nevertheless, akin to self-efficacy, creativity in isolation proves insufficient. It necessitates the presence of self-belief confidence in one's own abilities to facilitate the transition from ideation to the execution of commercially viable business ventures.

The availability of business capital has been consistently recognized as a significant extrinsic factor affecting students' entrepreneurial interest. Apprehensions concerning financial risk, coupled with unfavorable perceptions of the stability inherent in the entrepreneurial profession, frequently serve as impediments that deter students from pursuing this career trajectory. As such, the provision of supporting infrastructure particularly business incubators within university settings constitutes a critical variable in alleviating students' anxieties regarding potential financial exposure and enhancing their willingness to participate in entrepreneurial endeavors.

Entrepreneurial interest is further shaped by perceptions concerning the stability of the profession. Uncertainty about future prospects within the entrepreneurial sector frequently compels graduates to opt for formal-sector employment whether in government agencies or private enterprises as job seekers, notwithstanding the fact that the formal labor market possesses a limited capacity to absorb new entrants. In this regard, the provision of objective and realistic entrepreneurial knowledge is essential to enhance and rectify the professional image of entrepreneurship as perceived by students.

The mediating role of self-efficacy in the relationship between knowledge and interest carries important implications for the advancement of entrepreneurship education and training. Efforts to enhance knowledge alone are insufficient if not accompanied by the strengthening of self-belief through enactive mastery experiences, vicarious learning, verbal persuasion, and the management of positive physiological states. Therefore, pedagogical interventions designed to foster entrepreneurial interest should not merely focus on knowledge transfer, but also actively build learners' self-efficacy through experiential learning approaches and the provision of constructive feedback. Thus, knowledge, self-efficacy, and interest form a mutually reinforcing causal chain, in which knowledge serves as the foundation, self-efficacy functions as a motivational bridge, and interest emerges as a manifestation of internal drive to continuously engage and achieve in the pursued field.

Universities play a strategically vital role in cultivating this interest through the provision of entrepreneurship education, a view similarly expressed by Putri et al. (2026). Formal education is expected to equip students with the requisite knowledge, skills, and mindset to transform into competent job creators a position likewise echoed by Amalia (2016) and Khofifah (2023).

## Conclusion

Entrepreneurial knowledge acquired by students, particularly through the Independent Business Project (Proyek Usaha Mandiri or PUM) course, is demonstrated to exert a positive and significant influence on their self-efficacy. This indicates that mastery of operational, marketing, and financial content provides a robust cognitive foundation for students to assess their own capabilities in managing a business.

This study provides empirical evidence that self-efficacy functions as a "cognitive bridge" or a significant mediating variable between entrepreneurial knowledge and entrepreneurial interest. Knowledge does not automatically translate into interest without an internalization process that shapes beliefs regarding personal competence.

Higher education institutions are advised to continue adopting and strengthening experiential learning methodologies. The educational focus should not be confined to the mere transfer of technical knowledge, but should be explicitly designed to enhance students' self-confidence through authentic field-based practice.

Given the crucial role of self-efficacy, lecturers and educators are encouraged to provide supportive pedagogical interventions, such as offering constructive feedback, facilitating vicarious learning through role models and examples, and creating opportunities for enactive mastery experiences in which students successfully manage their business units.

Higher education institutions need to provide supporting infrastructure such as business incubators. The existence of such facilities is essential for mitigating students' concerns regarding financial risk and market uncertainty, while simultaneously strengthening their mental readiness to initiate business ventures.

Future research is recommended to expand the scope of variables by incorporating other psychological factors, such as intrinsic motivation, entrepreneurial spirit, and creativity. Furthermore, studies involving a broader demographic range of students or across various academic disciplines may provide a more comprehensive understanding of the dynamics underlying entrepreneurial interest.

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