

## ENTREPRENEUR PASSION, SKILL AWARENESS ON ENTREPRENEUR SELF EFFICACY AND ENTREPRENEUR INTENTION

Denis Fidita Karya<sup>1\*</sup>, Rachma Rizqina Mardhotillah<sup>2</sup>, Yauwan Tobing Lukiyono<sup>3</sup>  
Endah Budi Permana Putri<sup>4</sup>

1,2 Department of Management, Universitas Nahdlatul Ulama Surabaya

3. Department of Health Analyst, Universitas Nahdlatul Ulama Surabaya

4. Department of Nutrition, Universitas Nahdlatul Ulama Surabaya

\*Corresponding Author: [denisfk@unusa.ac.id](mailto:denisfk@unusa.ac.id)

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### ABSTRACT

This study investigates the role of entrepreneurial passion, self-skill awareness, and entrepreneurial self-efficacy on entrepreneurial intention. This study uses a quantitative method with a purposive sampling approach. The sample used in this study is the Surabaya community which does not yet have a business. The results showed that entrepreneurial passion had a significant positive effect on entrepreneurial self-efficacy, self-skill awareness had a significant positive effect on entrepreneurial self-efficacy, and entrepreneurial self-efficacy had an influence on entrepreneurial intention.

**Keywords:** *Passion Entrepreneur, Self Skill Awareness, Entrepreneur Self Efficacy, Entrepreneur Intention*

### INTRODUCTION

Entrepreneurship is creating new things by sacrificing time and energy, taking financial, physical, and social risks, receiving monetary rewards and satisfaction, and personal freedom (Slamet et al. 2014). it is needed especially in developing countries, Indonesia. The low level of entrepreneurship in Indonesia causes the government to continue to provide education about the importance of entrepreneurship. Currently, the interest in entrepreneurship is still common, as evidenced by data provided by the Ministry of Industry (2022), which explains that the entrepreneurship level of the Indonesian people is still 5% of the total population of Indonesia. In fact,

according to Laguía et al. (2019); Cardella et al. (2020); Candraningrat, C. (2019), entrepreneurship has a positive impact that is proven to increase economic growth, job creation, and innovation in a country. Increasing interest in entrepreneurship, the government can make regulations to increase interest in entrepreneurship (Sánchez-García et al., 2018; Grandma, 2019). This is in line with what has been done by the Indonesian government. To continue to increase public interest in entrepreneurship, the government has formed a Government Work Plan (RKP) Year 2023 regarding Productivity Improvement for Inclusive and Sustainable Economic Transformation. Therefore, to

increase interest in entrepreneurship, the government must be able to know the factors that can influence interest in entrepreneurship. Entrepreneurial intention is an individual's intention to formulate a new business and choose an alternative career for public work (Anshori et al 2019). Several authors suggest that intention is the best predictor to measure entrepreneurial behavior (Fitzsimmons and Douglas, 2011; Ajzen and Sheikh, 2013; Anshori et al., 2021; Mujanah, et. al.. 2022).

Hu and Ye (2017) have investigated that the drivers of entrepreneurship can be done by identifying why individuals develop entrepreneurial intentions to become entrepreneurs. Entrepreneurial passion can shape entrepreneurial intentions (Fuller et al., 2018; Bueckmann-Diegoli and Gutiérrez, 2020). Entrepreneurship is an excellent career alternative (Zacher et al., 2012). Roy et al., (2017) stated that one of the topics in the study of entrepreneurship that has attracted the attention of many people is entrepreneurial passion. Cardon et al. (2017) stated that entrepreneurial passion motivates people to see innovative opportunities and develop new business intentions. Similarly, Hubner et al. (2019) stated that entrepreneurial passion is essential for achieving motivation and success and is vital in predicting entrepreneurial intentions. Many studies have investigated the influence of entrepreneurial passion in predicting entrepreneurial intentions (Cardon and Kirk, 2015; Campos, 2017). Campos (2017) argues that entrepreneurial passion can stimulate individuals to increase entrepreneurial intention. An excellent entrepreneurial passion can

make individuals create businesses and express their passions into entrepreneurial action. Neneh (2020) argues that entrepreneurial passion makes individuals improve skills and abilities related to entrepreneurial business. Hubner et al., (2019) stated that entrepreneurial passion is essential for achieving entrepreneurial motivation and success and is important in predicting entrepreneurial intentions.

Entrepreneur passion is a positive feeling and attitude for activities that are very important for individual self-identity (Huyghe et al., 2016). Entrepreneurial passion is an important component of entrepreneurial behavior (Cardon et al., 2013; Santos and Cardon, 2019; Candraningrat, C., 2019). According to Vallerand et al. (2003), passion is a strong desire to perform any task that the individual wants to achieve with enthusiasm. Research has widely shown that entrepreneurial passion plays an important role in entrepreneurial intentions (Biraglia and Kadile, 2017; Schenkel et al., 2019; Karimi, 2020). In addition (De Clercq et al., 2013; Moses et al., 2016; Türk et al., 2020) identified that entrepreneurial passion could develop individual positive feelings to increase motivational factors. Passion entrepreneurs can increase entrepreneurial self-efficacy in individuals. This means that the higher a person's passion for entrepreneurship, the higher the individual's belief in entrepreneurship, so that it can increase interest in entrepreneurship in the future. This is in line with research conducted by Cardon and Krik (2013), Li (2020), Rasyid, et. al. (2022) and Sunardi (2022), which explain that entrepreneurial passion

has a significant positive impact on entrepreneurial self-efficacy.

Another factor that can influence entrepreneurial intentions is self-skill awareness. Self-skill awareness has a significant effect on increasing individual self-efficacy. Self-skill awareness is the ability of individuals to identify their own complex and soft skills. A person's perceived abilities influence a person's willingness to act and skills, and they need a real sense of self-image about their abilities. Despite having self-awareness skills, they must also be able to perform entrepreneurial tasks. Awareness of self-skills can raise students' beliefs about their ability to carry out entrepreneurial tasks. So awareness and understanding of one's own skills and level of competence can contribute to the development of increasing self-efficacy (Lucas and Cooper, 2004). This means that the higher the self-skill awareness in the individual, the higher the individual's self-efficacy in entrepreneurship.

Entrepreneur self-efficacy is influenced by several influences, including passion and skill awareness (Peterman and Kennedy, 2003; Ramos-Rodriguez et al., 2010; Karya, et. al., 2021). Entrepreneurial self-efficacy is a person's ability and belief in the possibility of completing the tasks needed to successfully start and build a new business (Saraih et al. 2018; Candraningrat, C., 2020). The higher entrepreneurial self-efficacy in individuals, the higher the individual's confidence to carry out certain activities, in this case, entrepreneurship. This is supported by research by Elitha (2020) and Wijangga (2019), which explains that entrepreneurial self-efficacy has a

positive and significant relationship to entrepreneurial intention.

Therefore, this study looks at the influence of entrepreneurial passion, self-skill awareness, and entrepreneurial self-efficacy and their impact on the entrepreneurial intention of the Surabaya community. then a hypothesis is formed :

H<sub>1</sub> = Passion Entrepreneur has a positive effect on Entrepreneur Self Efficacy

H<sub>2</sub> = Self Skill Awareness has a positive effect on Entrepreneur Self-Efficacy

H<sub>3</sub> = Entrepreneur Self-Efficacy has an impact on Entrepreneur Intention

## METHOD

This research is a quantitative research using the purposive sampling method. Quantitative research is a research study that collects data in the form of numbers and then analyzes it. The sample used in this study is 150 people who do not have a business. Data collection using a questionnaire via google form and distributed using WhatsApp messenger. All items were measured on a 5-point Likert scale ranging from "1 = total disagreement" to "5 = total agreement." A high score nan item indicated a high degree of agreement with the statement; a high score on a factor indicated more of the construct. The results of data collection were then analyzed using SmartPLS 3.0

## RESULTS AND DISCUSSION



Figure 1. Inner Model

## Result

### Convergent Validity

Convergent validity is a test used to measure whether or not an indicator is valid (Ghozali, 2016). Chin & Lee, (1999) stated that the indicator can be valid if it can measure variables with a value  $> 0.6$ .

**Table 1. Convergent validity**

Variable	Indicator	Outer Loading	Description
<i>Passion Entrepreneur</i>	PE1	0.878	Valid
	PE 2	0.807	Valid
	PE 3	0.868	Valid
	PE 4	0.800	Valid
	PE 5	0.810	Valid
<i>Skill Awareness</i>	SA1	0.891	Valid
	SA2	0.865	Valid
	SA3	0.798	Valid
	SA4	0.890	Valid
	SA5	0.883	Valid
<i>Entrepreneur Self-Efficacy</i>	ESE1	0.830	Valid
	ESE2	0.855	Valid
	ESE3	0.818	Valid
	ESE4	0.810	Valid
<i>Entrepreneur Intention</i>	EI1	0.881	Valid
	EI 2	0.753	Valid
	EI 3	0.781	Valid

### AVE

AVE can be used to compare each construct with the correlation between other constructs in the model. The AVE value must have a value  $> 0.5$  (Ghozali & Latan, 2014).

**Table 2. Nilai AVE**

Variabel	(AVE)
<i>Passion Entrepreneur</i>	0.808
<i>Skill Awareness</i>	0.810
<i>Entrepreneur Self-Efficacy</i>	0.851
<i>Entrepreneur Intention</i>	0.813

### Composite reliability and Cronbach's alpha

Composite reliability and Cronbach's alpha can be used to help test reliability. According to Hair et al (2014) data with composite reliability values  $> 0.7$  have high reliability, while Cronbach's alpha values are expected to have values  $> 0.6$ .

**Table 3. Composite Reliability dan Cronbach's Alpha**

Variabel	Cronbach's Alpha	Composite Reliability
<i>Passion Entrepreneur</i>	0.852	0.914
<i>Skill Awareness</i>	0.800	0.964
<i>Entrepreneur Self-Efficacy</i>	0.824	0.901
<i>Entrepreneur Intention</i>	0.857	0.997

### R-Square

The inner model is part of the hypothesis testing that is useful for testing the significance of the independent variables on the dependent variable and R-Square (R<sup>2</sup>). According to Ghozali (2016), the value of R<sup>2</sup> has several criteria including weak (0.19), moderate (0.33), and high (0.67).

**Table 4. Analisis R<sup>2</sup>**

Variabel	R Square
<i>Entrepreneur Self-Efficacy</i>	0.812
<i>Entrepreneur Intention</i>	0.802

## Hypothesis testing

Hypothesis testing The test results include a direct effect. The sign ( $\gg$ ) indicates the direction of influence between one variable on another variable. The following are the results of hypothesis testing:

**Table 5. Hypothesis testing**

Variabel	Original Sample (O)	P Values
PE $\gg$ ESE	0.502	0.000
SA $\gg$ ESE	0.419	0.004
ESE $\gg$ EI	0.320	0.000

## Discussion

### 1. Passion Entrepreneur on Entrepreneur Self-Efficacy

Entrepreneurship is creating, discovering, evaluating, and exploiting opportunities to produce services and products (Scott, 2012). Cardon et al. (2013) define entrepreneurial passion as a strong positive feeling that can make individuals engage in entrepreneurial activities. Entrepreneurial passion is a strong positive emotion toward tasks and activities related to entrepreneurship (Collewaert et al., 2016), entrepreneurial passion is the core of entrepreneurship (Gao et al., 2021), and entrepreneurial passion is a positive feeling toward carrying out activities (Huyghe et al., 2016). According to Cordon et al. (2013), entrepreneurial passion can increase entrepreneurial self-efficacy. Entrepreneur Self-efficacy or self-efficacy is related to the belief that a person can perform the expected actions, namely entrepreneurship. This means that the higher the entrepreneurial passion within the

individual, the higher the individual's belief in entrepreneurship.

This study's results explain a positive and significant relationship between entrepreneurial passion and entrepreneurial self-efficacy with a p-value of  $0.000 < 0.05$ . this is also supported in the research of Cordon et al. (2013), Maurer et al (2017) and Sunardi (2022), which explain that entrepreneurial passion has a significant positive relationship on entrepreneurial self-efficacy.

### 2. Self Skill Awareness on Entrepreneur Self-Efficacy

Self-skill awareness or self-awareness is a condition in which an individual understands their skills and can develop them (Hidayanti, 2022). When the individual understands the skills, the more excellent the opportunity for the individual to carry out activities such as entrepreneurship. This means that the higher the entrepreneurial self-skill awareness in a person, the higher one's confidence to do entrepreneurship.

The results of this study explain that self-skill awareness has a positive and significant effect with a value of  $0.004 < 0.05$ . This is in line with the research of Lioe (2022) and Tomy and Pardede (2020), which explain that self-skill awareness positively and significantly influences entrepreneur self-efficacy.

### 3. Entrepreneur Self-Efficacy on Entrepreneur Intention

Entrepreneurship is a national treasure that must be protected,

encouraged, and compensated in such a way because entrepreneurs can create jobs, opportunities, and prosperity for the country. A strong belief in the individual to carry out entrepreneurial activities can increase the individual's interest in entrepreneurship. Self-Efficacy is one of the core elements of entrepreneurial interest because strong self-efficacy will lead someone to set high goals and create high motivation. Jess Gregory (2011). This means that the higher the entrepreneur's self-efficacy, the higher the entrepreneurial intention of the individual.

The results of this study indicate that entrepreneurial self-efficacy has a significant positive effect on the entrepreneurial intention with a p-value of  $0.000 < 0.05$ . This is also supported by research by Elitha (2020), Wijangga (2019), and Afrianti (2019), which explains that entrepreneurial self-efficacy has a positive and significant relationship to entrepreneur intention.

## CONCLUSION

This research can be concluded that entrepreneurial passion for entrepreneurial self-efficacy has a positive and significant relationship (H1), Self Skill Awareness has a positive and significant relationship to entrepreneur self-skill awareness (H2), and Entrepreneur Self-Efficacy has a significant positive relationship to entrepreneur intention (H2). H3).

This means that all hypotheses in this study are accepted.

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