

## **FACTORS INFLUENCING ENTREPRENEURIAL INTENTION TO CULINARY MSMEs IN JAKARTA**

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Submitted: 31-01-2024, Revised: 01-02-2024, Accepted: 01-04-2024

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### **ABSTRACT**

*The purpose of this study was to determine 1) the effect of self-skill awareness on entrepreneurial intention 2) the effect of entrepreneurial resources on entrepreneurial intention, 3) the effect of entrepreneurial networks on entrepreneurial intentions, 4) the effect of entrepreneurial self-efficacy on entrepreneurial intentions, 5) the effect of self-efficacy entrepreneurship as mediation of entrepreneurial networks on entrepreneurial intentions. The sample selection technique used in this study was non-probability sampling and the sampling technique used purposive sampling technique. Data was taken using an online google form questionnaire with a total of 100 respondents. in this study using 4 indicators on each variable. Processing of research data using SmartPLS 4.8. The sample in this study are culinary MSME owners in Jakarta. The results of this study are 1) self-skill awareness does not affect entrepreneurial intentions. 2) entrepreneurial resources do not affect entrepreneurial self-efficacy 3) entrepreneurial networks affect entrepreneurial intentions. 4) entrepreneurial self-efficacy affects entrepreneurial intentions 5) entrepreneurial self-efficacy can mediate the effect of entrepreneurial resources on entrepreneurial intentions 6) entrepreneurial networks can influence entrepreneurial intentions through mediating entrepreneurial self-efficacy.*

**Keywords:** *Entrepreneurial Resources, Self-Skill Awareness, Entrepreneurial Self-Efficacy, Entrepreneurial networks. Entrepreneurial Intention.*

### **1. INTRODUCTION**

In Indonesia, MSMEs are the successor wheels of the economy which are very influential for the Indonesian economy. During the Covid-19 pandemic, many companies and restaurants and businesses were closed. However, many SMEs continue to develop, especially SMEs in the culinary field, which Sandiaga Uno has revealed. Whereas during the pandemic, SMEs in the culinary field were proven to be able to survive and even develop so that they were able to move the economy and even absorb the most workers.

During the Covid-19 pandemic, many workers were laid off from their jobs and this number could reach tens to millions of people. Many of the workers who were laid off looked at business opportunities in MSMEs, especially in the culinary field which tended to be quite promising for them to survive, but this increase was not in line with the knowledge of the MSMEs they had. As a basis for entrepreneurship guidelines, an entrepreneur must have entrepreneurial intentions before opening an effort. Because there are so many new entrepreneurs who are easily influenced or easily give up because they do not have a strong attitude of commitment or intention in entrepreneurship. Even though there are many MSMEs that have sprung up, there are also many MSMEs that have closed or collapsed.

Entrepreneurial intentions can be influenced by several factors, including self-skill awareness. Having high self-awareness helps a person to know and understand his strengths and weaknesses, values and motivation. In entrepreneurship, self-skill awareness helps entrepreneurs to make

decisions or determine something so as not to exceed their capabilities. Self-awareness is the ability of individuals to accurately identify their own hard skills and soft skills. Doubts about their own entrepreneurial abilities are perceived by individuals as one of the main obstacles associated with the creation of new businesses (Alvarez et al., 2006). The next factor is entrepreneurial resources.

Before starting a business, an entrepreneur must have 6 types of entrepreneurial resources, which include: man (human), money (money), material (physical), machine (technology), method (method), market (market). In addition, resources are also divided into 4. There are those engaged in the material, financial, human and information sectors. It is related to each other according to their respective functions and duties. In previous research, entrepreneurial resources did not have an influence on entrepreneurial intentions but did affect entrepreneurial self-efficacy where entrepreneurial resources influenced perceptions or views of one's abilities and thereby increased self-efficacy (Drnovsek and Erikson, 2005).

In addition to the factors that have been mentioned, an entrepreneur also needs to have self-efficacy. In previous research it was said that entrepreneurial self-efficacy has an influence on entrepreneurial intentions where entrepreneurial self-efficacy is an individual's belief in his ability to carry out tasks and roles that are shown for entrepreneurial outcomes (Newman et al., 2019). With the experience that entrepreneurs have, it will influence business formation and reduce the failure rate. With entrepreneurial knowledge and self-confidence and assisted by external and internal environments that provide input on businesses that will be initiated or are already running, it can help the entrepreneur not to experience failure which tends to have great potential, compared to entrepreneurs who have no intention or several factors that have been mentioned above.

Furthermore, there are factors that influence entrepreneurial self-efficacy, namely Entrepreneurial networks or entrepreneurial networks. In entrepreneurship, networks are needed not only in the personal environment but also in the social networking environment. and also to sell via live. This is very influential for the income of MSMEs that promote their sales. With the existence of a social media platform, many MSMEs can survive or sell without the need for capital or money. Awareness to support entrepreneurial networks that can become a person's back in setting up a business can increase individual perceived behavioral control (Muller, 2011).

This is related to workers who are terminated . The entrepreneurial intention of workers who have been terminated must be assisted by the factors described above. To open a new business, it is not enough just to have the intention, but the individual must be aware of the skills he has, sufficient resources for entrepreneurs to open a business, a network of customers, distributors, producers and must also be confident in his abilities and experience that has been passed as an employee before being laid off.

According to Kompasiana data, the interest in entrepreneurship is based on education, which explains that there is still very little interest in entrepreneurship in Indonesia. With the existence of education about entrepreneurship in schools and colleges. Students and the wider community can find out more about entrepreneurial intentions. According to Nowiński et al. (2019) education about entrepreneurship can affect one's entrepreneurial intentions. Therefore, education about entrepreneurship is present as a tool or initial guide to spur or stimulate activity and encourage someone's interest in entrepreneurship (Hoang et al., 2021).

With the background, identification, and limitations of the problem, five points of research objectives emerge, as follows. Empirically examining the influence of self-skill awareness, entrepreneurial resources and entrepreneurial networks on entrepreneurial intentions of culinary MSMEs in Jakarta through the mediation of entrepreneurial self-efficacy. This study uses a theoretical framework, namely as follows:

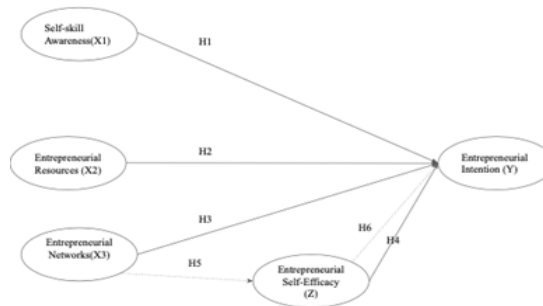


Figure 1. Framework

## 2. RESEARCH METHOD

According to Sekaran (2017) research design is a plan to collect, measure, and analyze data based on research questions from research. Research designs are divided into two types, namely exploratory and conclusive (Malhotra, 2015). Exploratory design is research that aims to obtain information, knowledge, insights, ideas and ideas as well as understanding as an effort to formulate and define problems, develop hypotheses based on past data or existing theories. In this study a quantitative research design was used, namely testing by observing a problem in a systematic and precise manner towards a fact and the nature of a particular object (Mahmud 2011; 100). In this study the authors used cross-sectional research because it was carried out with data collection once within a specified period. In this study, the population used was Culinary MSMEs in Jakarta.

The technique used in this research is purposive sampling with a non-probability method in which the sampling technique features and characteristics are determined by the researcher in accordance with the research. According to Gay and Diehl, Roscoe (1975), a good sample size for researchers is more than 30 and less than 500 is the right size for researchers. Based on the statements of Gay and Diehl, Roscoe (1975), the number of samples taken by the researchers was 100 respondents. This size is an appropriate, feasible and ideal sample size. The data obtained comes from a questionnaire that will be given a score of 1-5 in the form of a Likert scale. The resulting data will be analyzed using the PLS-SEM method where the data will be processed using SmartPLS software version 4.0.8. Self-skill awareness consists of 4 indicators that are used as questions in the questionnaire adopted from Hatami et al. Awareness is one's own ability to understand emotions appropriately and accurately in various situations in a valid and reliable manner according to Bradberry Greaves (2005). Entrepreneurial resources consist of 4 indicators that are used as questions in the questionnaire adopted from Jianxin Ge & Tongli. Entrepreneurial resources are inputs into the production process, or inputs that help us offer our business model and create value for customers. Entrepreneurial network consists of 4 indicators which are used as questions in a questionnaire adopted from Junedi et al and Weizhen Yu et al. According to Birley, Cromie and Myers, (1991) entrepreneurial network is an activity where entrepreneurs obtain information about new entrepreneurial ideas.

Entrepreneurial self-efficacy consists of 4 indicators that are used as questions in a questionnaire adopted from Liangxing Shi et al. Based on Newman et al. (2019) entrepreneurial self-efficacy is an individual's belief in his ability to carry out tasks and roles that are shown for entrepreneurial results. Finally, entrepreneurial intention consists of 4 indicators that are used as questions in a questionnaire adopted from Francisco Linan and Yi-wen Chen. According to Tubbs and Ekeberg 1991, entrepreneurial intentions are actions that represent planned actions to carry out entrepreneurial behavior. The following are operational variables:

Self-skill awareness or what is called self-skill awareness is one's own ability to understand emotions precisely and accurately in various situations in a valid and reliable manner according to Bradberry Greaves (2005).

Variable	Indicator	Code	Scale	Researcher
<i>Self-Skill Awareness</i>	Increase self-awareness and self-knowledge in youth	SSA1	Ordinal	Fatimah hatami, leila ghahremani, mohammad hossein kaveh, sarah keshavarzi (2016)
	Ability to accurately understand one's state of emotion	SSA2		
	Balance positive emotions with negative emotions	SSA3		
	Analysis and understanding of when emotions arise	SSA4		

Entrepreneurial resources are inputs into the production process, or inputs that help us offer our business model and create value for customers.

Variable	Indicator	Code	Scale	Researcher
<i>Entrepreneurial Resources</i>	Get capital	ER1	Ordinal	Jianxin Ge dan Tong Li (2019)
	Have experienced employees	ER2		
	Has branches in various cities	ER3		
	Understand the provisions of legal resources in business	ER4		

According to Birley, Cromie and Myers, (1991) entrepreneurial networks are activities where entrepreneurs obtain information about new entrepreneurial ideas.

Variable	Indicator	Code	Scale	Researcher
<i>Entrepreneurial Network</i>	Can market the product well	EN1	Ordinal	Junedi Junedi; Mustika Dwi Arumsari (2021)

Can distribute their products	EN2	
have a customer contact number	EN3	
have good relations with competitors	EN4	Weizhen Yu, Myeongcheol Choi, Jiangzhuang zheng (2021)

Based on Newman et al. (2019) entrepreneurial self-efficacy is an individual's belief in his ability to perform tasks and roles that are shown to result in entrepreneurship.

Variable	Indicator	Code	Scale	Researcher
<i>Entrepreneurial Self-Efficacy</i>	I believe I can successfully identify new business opportunities	ESSE1	Ordinal	Liangxing Shi, Xinying Yao and Wenqing Wu (2019)
	I am confident that I can successfully create new products	ESSE2		
	I can think creatively	ESSE3		
	I can successfully commercialize new innovative ideas	ESSE4		

According to Tubbs and Ekeberg 1991, entrepreneurial intention is an act that represents planned action to carry out entrepreneurial behavior.

Variable	Indicator	Code	Scale	Researcher
<i>Entrepreneurial Intention</i>	I am ready to do anything to become an entrepreneur	EI1	Ordinal	Fransisco Linan and Yi-Wen chen (2009)
	My professional goal is to become an entrepreneur	EI2		
	I will make every effort to start running my own company	EI3		
	I am determined to build a company in the future	EI4		

### 3. RESULTS AND DISCUSSIONS

The following are the research subjects used: the first is gender, age, domicile, income and length of time selling:

Table 1. Characteristics of Research Subjects  
 Source: Results of primary data processing

Characteristics	N	Percentage (%)
<b>Type Gender</b>	<b>100</b>	<b>100%</b>
Male	32	32%
Female	68	68%

<b>Age</b>	<b>100</b>	<b>100%</b>
< 20	11	11%
21-30	57	57%
31-40	18	18%
> 40	14	14%
<b>Your Domicile</b>	<b>100</b>	<b>100%</b>
East Jakarta	20	20%
West Jakarta	35	35%
North Jakarta	15	15%
South Jakarta	19	19%
Central Jakarta	11	11%
<b>sales turnover</b>	<b>100</b>	<b>100%</b>
under 5m	41	41%
5m-10m	46	46%
10m-25m	10	10%
Above 25m	3	3%
<b>selling since</b>	<b>100</b>	<b>100%</b>
under 1 years	20	20%
1-2 years	31	31%
3-4 years	22	22%
above 4 years	27	27%

The description of the subject of this study was that the majority were female, as many as 68 people (68%). Then, the majority aged between 21-30 as many as 57 people (57%). Furthermore, the majority live in West Jakarta as many as 35 people (35%). Furthermore, the majority sales turnover is between 5m-10m as many as 46 people (46%). And finally, the majority of the old selling, namely 1-2 years as many as 31 people (31%).

This study uses outer model analysis measurements. The following are the tests that will be used, namely: validity test, reliability test and average variance extracted test or commonly known as AVE. The research was conducted to determine the relationship between indicators and variables so that the research model can be measurable. Validity Test (Convergent Validity) In this validity test using measurements with factor loading, cross loading and average variance extracted (AVE) from each indicator. In this validity test the measurement can be said to have fulfilled or is valid if the convergent validity with the loading factor value can exceed 0.5 (Ghozali, 2014).

Table 2. Research Hypothesis Test Results  
 Source: SmartPLS Output

Code	Hypothesis	Original Sample	$\Gamma$ statistics	$p$ values	Conclusion
H1	Self-skill Awareness→ Entrepreneurial Intention	0,174	1,590	0,112	Rejected
H2	Entrepreneurial Resources→Entrepreneurial Intention	0,062	0,616	0,538	Rejected
H3	Entrepreneurial Networks→Entrepreneurial Intention	0,346	2,768	0,006	Supported
H4	Entrepreneurial Self-efficacy→Entrepreneurial Intention	0,426	2,943	0,003	Supported
H5	Entrepreneurial Networks→Entrepreneurial Intention	0,645	9,742	0,000	Supported
H6	Entrepreneurial Networks→Entrepreneurial Self-efficacy→Entrepreneurial Intention	0,275	2,811	0,005	Supported

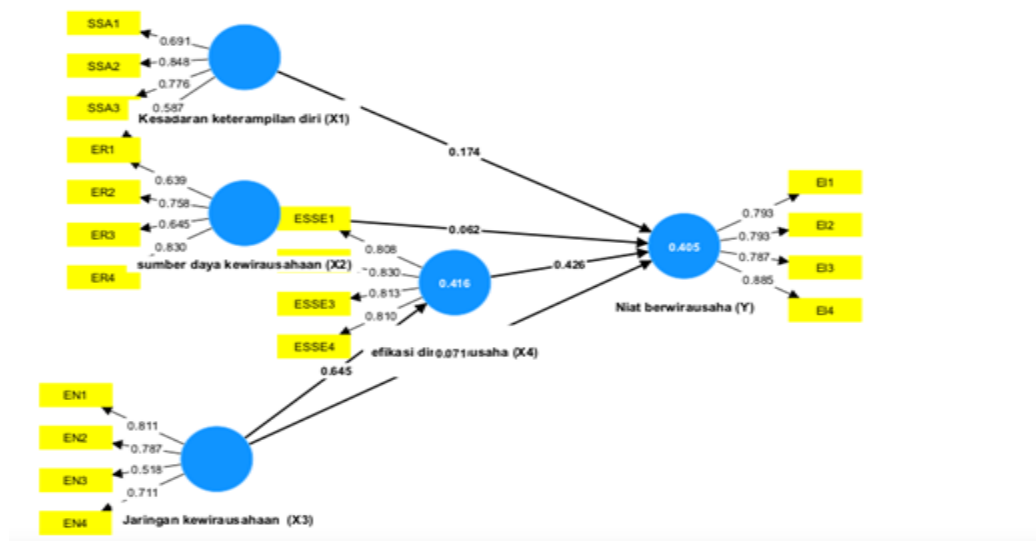


Figure 2. Hypothesis Test Results (Bootstrapping)

The results of testing the first hypothesis (H1) awareness of self-skills has no effect on entrepreneurial intentions. The first hypothesis is rejected because it has a T-statistics value of 1.479 ( $<1.96$ ) and a p-value of 0.139 ( $>0.05$ ). This fact is not in line with the research results of Alvarez et al., 2006 said that doubts about self-skills make initial capital funding considered an obstacle to creating new businesses. A person is required to know his own abilities first, otherwise if he does not know his own abilities, the risk of failure to open a new business will be higher.

The results of testing the second hypothesis (H2) entrepreneurial resources do not prove to have an effect on entrepreneurial intentions. The second hypothesis was rejected because it had a T-Statistics value of 0.462 ( $<1.96$ ) and a p-value of 0.644 ( $>0.05$ ). The results of previous research indicate that entrepreneurial resources have a significant and not significant effect on students' attitudes towards entrepreneurship to set up new businesses. These results are consistent with the findings of Shapero (1982) which emphasizes that individual attitudes towards entrepreneurship solely rely on exogenous factors such as resources (human resources, financial resources and tools and equipment) (Shodipe & Ohanu, 2020).

The results of testing the third hypothesis (H3), entrepreneurial networks have no effect on entrepreneurial intentions. Statistically, the third hypothesis is rejected because it has a T-statistics value of 2.768 ( $> 1.96$ ) and a p-value of 0.006 ( $> 0.05$ ). These results are in line with research conducted by Davidsson and Honig (2003) where they found that people who have parents in business or have close friends or neighbors in business are more likely to become new entrepreneurs.

The results of testing the fourth hypothesis (H4), entrepreneurial self-efficacy has a positive and significant effect on entrepreneurial intentions. Statistically, the fourth hypothesis is accepted because it has a T-statistics value of 2,949 ( $> 1.96$ ) and a P-value of 0.003 ( $<0.05$ ). This is in line with a research study conducted by Sarwoko (2011) which explains that self-efficacy influences entrepreneurial intentions where the more self-confidence and mentality of a person increases, the higher the role is to increase entrepreneurial intentions in society.

The results of testing the fifth hypothesis (H5), entrepreneurial networks have a positive and significant effect on entrepreneurial self-efficacy. Statistically, the second hypothesis is accepted because it has a T-Statistics value of 9.742 ( $>1.96$ ) and a p-value of 0.000 ( $<0.05$ ). These results

are the same as previous studies where entrepreneurial networks have a positive effect on entrepreneurial self-efficacy. According to (Bratkovi et al., 2012) where networks with individuals can provide a lot of information, support and access to resources by gaining competence and knowledge from others, the level of entrepreneurial self-efficacy can be felt.

The results of testing the sixth hypothesis (H6), Entrepreneurial self-efficacy mediating entrepreneurial networks on entrepreneurial intentions proved to be influential. Statistically. The fifth hypothesis is accepted because it has a T-statistics value of 2.811 ( $> 1.96$ ) and a p-value of 0.005 ( $< 0.05$ ). These results are not in line with research conducted by Chen & He (2011) where a person lacks training and education level, even though they use entrepreneurial networks or get information that supports entrepreneurial activities. It cannot provide a mediating effect between self-efficacy and entrepreneurial intentions.

#### **4. CONCLUSIONS AND SUGGESTIONS**

Based on the results of the research above, self-awareness of entrepreneurial skills and resources cannot significantly influence entrepreneurial intentions. After that entrepreneurial self-efficacy has a significant effect on the entrepreneurial intention of culinary MSMEs in Jakarta. Entrepreneurial networks have a significant effect on entrepreneurial intentions and entrepreneurial self-efficacy can significantly mediate entrepreneurial networks on entrepreneurial intentions.

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