# The Influence of Digital Literacy, Self-Efficacy and the Environment on Students Entrepreneural Intentions, Case Study of FEB Students at Muhammadiyah University of Jember Class of 2021-2024

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| Article Info | ABSTRACT |
|---|---|
| | The aim of this research is to examine the influence of digital literacy, self-efficacy and the environment on the entrepreneurial intentions of FEB Muhammadiyah University Jember students for the 2021-2024 academic year. This research uses associative quantitative methods, descriptive methodology, and multiple linear regression analysis on data from 93 respondents selected purposively. Research findings show that digital literacy, self-efficacy, and the surrounding environment have a positive and significant influence on students' entrepreneurial tendencies.<br><br> |

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## 1. INTRODUCTION

Indonesia, with a very large population, has great potential to develop innovative and resilient businesses. This is supported by increasing government initiatives that encourage entrepreneurial growth, including those aimed at empowering Micro, Small and Medium Enterprises (MSMEs) and special programs for young entrepreneurs. Entrepreneurship in Indonesia is expected to grow significantly in 2024, especially in terms of established entrepreneurs. Entrepreneurship is a combination of the terms "entrepreneur" and "business".

Based on data from the Central Statistics Agency [1], the number of new entrepreneurs in Indonesia has decreased, but this number is still much greater than the number of established entrepreneurs in Indonesia. A total of 29.11 million budding entrepreneurs work alone, while the remaining 22.44 million rely on temporary or unpaid staff. The number of new entrepreneurs fell 0.9% compared to August 2023, but increased 1% compared to February 2023.

Student interest in entrepreneurship is increasing, as is government and institutional funding for entrepreneurship programs. The government through the Ministry of Cooperatives and SMEs has stepped up various initiatives including training, business assistance and business financing to stimulate the emergence of competent young entrepreneurs. This initiative aims not only to create new jobs. But also to increase the competitiveness of local

products. Students' entrepreneurial goals are influenced by several things, namely educational background, home environment and social support from the university. Apart from that, advances in technology and social media make it easier for students to obtain information and contact with the entrepreneurial community, thereby stimulating their desire to become entrepreneurs.

Digital literacy, or the ability to use digital technology productively, is becoming increasingly important in modern businesses. This capacity allows students to obtain information, conduct market research, interact with clients and sell their goods more successfully through digital media. Students with strong digital literacy can make better use of the internet and social media to introduce goods and create business networks. This is important because many digital channels now give students more access to launch their businesses in local and even global markets. Students who have strong self-awareness are more willing to take opportunities and face problems in entrepreneurship. This belief is very important in entrepreneurship which is full of certainty and demands resilience [2].

Self-efficacy, explained as an individual's belief in their own capacity to carry out a particular task, is a key element in determining entrepreneurial aspirations. Students with strong self-efficacy tend to be more confident in their ability to overcome obstacles, take risks, and face the uncertainty that arises in entrepreneurship. In contrast, students with poor self-efficacy have more difficulty believing in their talents and are more likely to avoid risks or choose safer professional options.

The social environment including family, friends and the campus community influences students' entrepreneurial attitudes. Families, for example, can influence entrepreneurial goals by providing emotional and financial support, especially if parents have entrepreneurial experience. Apart from that, the campus atmosphere also fosters an entrepreneurial ecosystem through educational programs, company incubators and entrepreneurial contests that can increase entrepreneurial motivation. Apart from that, the larger external environment, including government support and economic conditions, has an impact on entrepreneurial tendencies. Government policies that encourage young entrepreneurs through intensive, funding and training programs provide more opportunities for students to develop their business ideas.

Jember Muhammadiyah University is one of the private universities in Jember Regency with a total of 1,191 students from the Faculty of Economics and Business for the 2021-2024 class. FEB students are the future generation of job creators and economic contributors. However, to help students' entrepreneurial intentions, many aspects must be considered, including digital literacy, self-efficacy and the surrounding environment. However, there are still many students who do not have a lot of knowledge regarding the proper use of digital media to carry out entrepreneurial activities, have not been able to encourage themselves to become entrepreneurs from a young age and are not afraid of failure in facing the obstacles of a novice entrepreneur and the surrounding environment which does not support students to start entrepreneurship.

## 2. LITERATURE REVIEW

### 2.1. Theory Of Planned Behavior (TPB)

This study focuses on the Theory of Planned Behavior (TPB), which was established as an extension of the Theory of Reasoned Action (TRA) [3]. TPB seeks to predict and anticipate individual behavior, which is impacted by three major variables: attitudes toward conduct, subjective norms, and perceived behavioral control. Attitudes represent an individual's favorable or negative impression of an activity, subjective norms explain societal pressure, and perceived behavioral control refers to the ease or difficulty of carrying out an action. These three aspects influence a person's goals and actions.

The TPB is employed in this study because its components are relevant to the research variables, which are digital literacy, self-efficacy, and environmental factors. Digital literacy indicates an individual's grasp of the factors that drive entrepreneurial ambitions, self-efficacy displays self-confidence in entrepreneurship, and the environment reflects the effect and encouragement of one's surrounds on an individual's intention to become entrepreneur.

## 2.2. *Digital Literacy*

Digital literacy refers to the use of digital technology for academic, professional and everyday reasons [4]. Digital literacy means accessing, understanding and managing information [5], highlights the capacity to produce, share and transmit information by utilizing technology to achieve goals [6]. Digital literacy refers to the capacity to use technology and information successfully in a variety of circumstances. Digital literacy indicators consist of internet searches, Hypertext Navigation, Content Evaluation and Knowledge Assembly

## 2.3. *Self-Efficacy*

Self-efficacy as an individual's belief in his or her ability to perform important tasks, which determines effort, resilience, and motivation when faced with difficulties [7]. Individuals who have a high level of self-efficacy will work harder and be more resilient. Self-efficacy is belief in one's ability to act in certain situations, not in the ability itself [8]. Self-efficacy is a major determinant of behavior. Self-efficacy indicators consist of goal orientation, desire to succeed, having confidence and ability and persevering in the face of obstacles.

## 2.4. *Environment*

The environment includes all elements and stimuli inside and outside the individual, including physiological, psychological and social components [9]. The internal environment, such as the family, is important because it functions as the primary learning environment for individual development. Meanwhile, the external environment such as

society, peers and the media can all have an impact on a person's interests and actions, including whether or not it is appropriate to pursue entrepreneurship. Environmental indicators consist of family environment, academic environment and social environment.

## 2.5. *Entrepreneurial Intentions*

Defines an entrepreneur as a person who has a creative and inventive spirit who is able to create, build, expand, advance and elevate his company [10]. Also defines entrepreneurial intention as an individual's interest, desire and readiness to work hard to fulfill their fundamental requirements without thinking about potential threats. This entrepreneurial spirit encourages people to aggressively seek and exploit existing possibilities in order to maximize their potential.

## 3. METHODS

According to Sugiyono, he believes that quantitative research methods can be interpreted as research methods based on the philosophy of protivism, used to research certain populations or samples [11]. The sampling technique uses purposive sampling technique. The method used in this research is an associative quantitative method. According to Sugiyono, associative research aims to determine the influence of two or more variables [12]. The aim of this research is to find the relationship between the independent variable and the dependent variable, namely the influence of digital literacy (X1), self-efficacy (X2) and the environment (X3) on students' entrepreneurial intentions at FEB Students at Muhammadiyah University of Jember. The population in this study was FEB students at the Muhammadiyah University of Jember class 2021-2024, totaling 1,191 students. The sample used in this research was 93 students. The data analysis used is data instrument testing, classical assumption testing, multiple linear analysis testing and hypothesis testing

# 4. RESULTS AND DISCUSSION

## 4.1. Data Instrument Testing

The validity test results show a significant relationship between digital literacy, self-efficacy, environment, and entrepreneurial intentions (R calculated > R table, $p < 0.05$). We can conclude that all elements of the variable statement are declared valid. The results of the reliability test show that all variables have an alpha coefficient > 0.60, which means the variables in this study can be trusted.

## 4.2. Multiple Linear Analysis

**Table 4.1. Multiple Linear Analysis**

| Independent Variable | Regression Coefficients |
|---|---|
| Digital Literacy | 0,126 |
| Self-Efficacy | 0,144 |
| Environment | 0,526 |
| Dependent variable = Entrepreneurial Intention | |
| Constant = 5.431 | |

The results of multiple linear analysis show the following:

1. A constant value of 2.523 shows a positive relationship between independent factors (digital literacy, self-efficacy and environment) and entrepreneurial intentions.
2. Regression Coefficient X1: The coefficient of 0.287 indicates that digital literacy has a moderate influence on entrepreneurial tendencies.
3. Regression Coefficient X2: Coefficient 0.144 indicates that self-efficacy has a significant influence on entrepreneurial intentions.
4. Regression Coefficient X3: A coefficient of 0.526 indicates that environmental factors have a significant influence on entrepreneurial intentions, greater than digital literacy and self-efficacy.

## 4.3. Classical Assumption Test

1) Normality Test
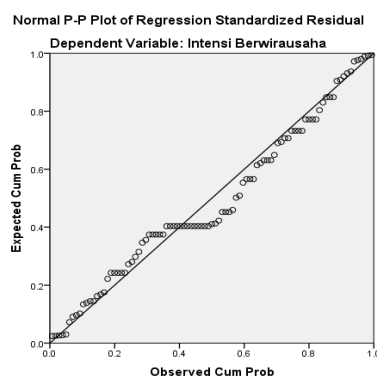


**Picture 4.1. Normality Test**

Based on picture 4.1, the results of the normality test show that the data is distributed regularly and is located around the diagonal line, so that the regression model meets the assumptions of normality.

2) Multicollinearity Test

All independent variables in this study have a tolerance value greater than 0.10 and a VIF value less than 10.00, indicating that there is no evidence of multicollinearity between the independent variables in the regression model.

3) Heteroscedasticity Test
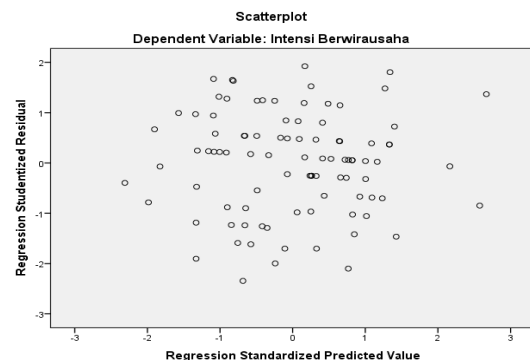


**Picture 4.2. Heteroscedasticity Test**

Picture 4.2 depicts the results of the heteroscedasticity test; The points are distributed randomly, do not form a distinct pattern, and are above and below zero on the Y axis. This shows that the regression model follows the usual heteroscedasticity assumption.

### 4.4. Hypothesis Testing

1) Partial Test (t Test)

The research found a significant relationship between digital literacy (X1) and entrepreneurial intensity (Y) (p-value = 0.012, H1 approved). Self-efficacy (X2) has a significant effect on entrepreneurial intensity (Y) with a value of 0.034 < 0.05 (H2 is approved). The environment (X3) has a significant influence on entrepreneurial intensity (Y), with a value of 0.004 < 0.05 (H3 is approved).

2) Coefficient of Determination (R2)

Adjusted R Square value is 0.603. As a result, the high contribution of digital literacy, self-efficacy and environmental factors explains 0.603 or 60.3% of the variation in ups and downs in purchasing choices, while the remaining 39.7% is caused by other variables.

## DISCUSSION

### The Influence of Digital Literacy on Students' Entrepreneurial Intentions

The research results found that digital literacy (X1) had a fairly large beneficial influence on the entrepreneurial tendencies of FEB students at the Muhammadiyah University of Jember Class of 2021-2024, with a significance value of 0.012 < 0.05 (H1 was accepted). Students' interest in entrepreneurship increases as their digital literacy increases, however low digital literacy can reduce students' interest due to a lack of capacity to adapt to technological advances.

### The Influence of Self-Efficacy on Students' Entrepreneurial Intentions

The research results found that self-efficiency (X2) has a fairly large beneficial influence on the entrepreneurial tendencies of FEB students at Muhammadiyah University of Jember class 2021-2024, with a significance value of 0.034 < 0.05 (H2 is approved). The better a student's self-efficacy, the higher their interest in business, because this will increase their self-confidence, courage, enthusiasm and ability to overcome problems. Conversely, low self-efficacy makes individuals reluctant to start their own business.

### The Influence of the Environment on Students' Entrepreneurial Intentions

This research reveals that the environment (X3) has quite a large influence on the entrepreneurial intentions of FEB Muhammadiyah University Jember students' class 2021 to 2024. Self-efficacy has a fairly large positive relationship with entrepreneurial intentions (p = 0.004 < 0.05), supporting the hypothesis (H3). Students who are in a supportive environment will be more confident, motivated, and have access to the tools to start a business, but an unsupportive environment may discourage interest in entrepreneurship.

## 5. CONCLUSION

1) Digital literacy (X1) has a positive and large impact on entrepreneurial ambition. Students' digital literacy increases their capacity to use technology in business, thereby increasing their interest in entrepreneurship.

2) Self-efficacy (X2) has a good and big influence on entrepreneurial tendencies. Students' self-efficacy increases their self-confidence, willingness to take opportunities, and ambition to become entrepreneurs.

3) The environment (X3) has a good and strong influence on entrepreneurial tendencies. A friendly and supportive atmosphere increases students' confidence, motivation, and access to the tools to start a company.

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