

## Determining the Effect of Intrinsic Motivation and Self-Efficacy on Entrepreneurial Mind-set with Financial Literacy as a Moderating Variable

Agung Edy Wibowo<sup>1\*</sup>, Asman Abnur<sup>2</sup>, Hendra Syaiful<sup>3</sup>,  
Batam Tourism Polytechnic

**Corresponding Author:** Agung Edy Wibowo, [agungedy@btp.ac.id](mailto:agungedy@btp.ac.id)

---

### ARTICLE INFO

*Keywords:* Intrinsic Motivation, Self-Efficacy, Entrepreneurial Mind-set, Education

*Received :* 19 November

*Revised :* 19 January

*Accepted:* 20 February

©2026 Wibowo, Abnur, Syaiful:  
This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This study investigates the determinants of entrepreneurial mindset among university students by examining intrinsic motivation, self-efficacy, and financial literacy, with financial literacy as a moderating variable. Using a quantitative approach and PLS-SEM (Smart-PLS), data were collected from 81 undergraduate students who had completed introductory accounting, financial management, or entrepreneurship courses. The measurement model demonstrates satisfactory reliability and validity. The structural results show that intrinsic motivation and self-efficacy do not have a significant direct effect on entrepreneurial mindset, while financial literacy has a strong positive influence. Financial literacy significantly moderates the relationship between intrinsic motivation and entrepreneurial mindset but does not moderate the effect of self-efficacy. The model explains 93.8% of the variance in entrepreneurial mindset. The findings emphasize the importance of financial literacy and support effectuation-based entrepreneurship education.

---

## INTRODUCTION

The increasingly competitive global economy requires younger generations to develop adaptive and creative capacities to respond to labor market dynamics. One key competency is the entrepreneurial mindset, defined as a way of thinking that emphasizes innovation, risk-taking, and opportunity recognition. This mindset is not only relevant to business activities but also to various professional contexts that demand initiative and resilience. Accordingly, entrepreneurship has become a central focus in developing students' competencies to face the Industrial Revolution 4.0 and an innovation-driven economy (Judge & Bono, 2001).

An entrepreneurial mindset is not innate but can be cultivated through education, experience, and internal psychological factors. Educational institutions play a crucial role in fostering students' self-confidence, internal drive, and readiness to face risks and challenges. Previous studies indicate that intrinsic motivation and self-efficacy significantly influence the development of an entrepreneurial mindset (Albert Bandura, 1977). Intrinsic motivation refers to an internal drive to engage in activities perceived as meaningful or satisfying. In entrepreneurship education, intrinsically motivated students tend to be more creative, persistent, and resilient in dealing with uncertainty. Intrinsic motivation enhances learning quality, performance, and perseverance, thereby strengthening entrepreneurial thinking. Self-efficacy, defined as an individual's belief in their ability to succeed in specific tasks, is another important psychological determinant of the entrepreneurial mindset. According to Bandura (1997), self-efficacy influences how individuals perceive challenges, exert effort, and recover from failure. Students with high self-efficacy are more likely to take risks, seek innovative solutions, and confidently develop new ideas (Ryan & Deci, 2000).

Empirical studies consistently show a positive relationship between self-efficacy and the entrepreneurial mindset. Individuals with strong self-belief tend to demonstrate stronger entrepreneurial orientation, including opportunity recognition and challenge management (Ryan & Deci, 2000). This highlights the strategic importance of fostering self-efficacy in entrepreneurship education. Among students, particularly younger learners, intrinsic motivation and self-efficacy play a critical role in shaping the entrepreneurial mindset. Highly motivated students are more inclined toward innovation-oriented activities, while those with strong self-efficacy are more proactive, willing to experiment, and resilient in the face of failure (Innovation et al., 2022)

Despite growing interest in this topic, research focusing on small student samples remains limited. Studies involving small groups, such as some students, allow for more intensive observation and deeper analysis of internal psychological dynamics that contribute to the development of an entrepreneurial mindset within formal education (Cera et al., 2020).

In the Indonesian educational context, strengthening entrepreneurship is a national priority aligned with the *Merdeka Belajar* Curriculum, which emphasizes independent, creative, and problem-solving-oriented learners. Therefore, examining the roles of intrinsic motivation and self-efficacy provides valuable

insights for improving entrepreneurship education policies and practices at the school level.

Based on this background, this study aims to examine the influence of intrinsic motivation and self-efficacy on students' entrepreneurial mindset using a sample of 81 students. The findings are expected to inform effective learning strategies that foster entrepreneurial attitudes among students and contribute to the literature on educational psychology and entrepreneurship.

## **LITERATURE REVIEW**

### **Intrinsic Motivation**

Intrinsic motivation refers to an internal drive that encourages individuals to engage in activities because they are perceived as interesting, meaningful, or personally satisfying. Unlike extrinsic motivation, which is influenced by external rewards, punishments, or pressures, intrinsic motivation arises from genuine interest and emotional engagement in an activity. In educational settings, intrinsic motivation serves as a fundamental basis that encourages students to learn independently without reliance on external incentives (Legault, 2016). Intrinsic motivation significantly influences the quality of the learning process. Students with strong internal motivation tend to be more active, autonomous, and persistent in completing tasks, focusing on deep understanding rather than merely achieving grades. This learning orientation aligns with constructivist approaches that emphasize active learner involvement (Ryan & Deci, 2000).

A key characteristic of intrinsically motivated individuals is their ability to set self-determined learning goals, which fosters stronger commitment. Such individuals are driven by the desire to enhance their competence, a core need within self-determination theory (Innovation et al., 2022). As a result, goal attainment becomes more meaningful due to its personal relevance. Intrinsic motivation is also closely linked to curiosity, the natural desire to explore and understand new information. When learning materials are perceived as relevant and intellectually stimulating, students' internal motivation increases. Curiosity thus acts as a key driver of sustained learning (A. Bandura, 2007).

In relation to creativity, intrinsic motivation plays a critical role. Internally driven individuals are more likely to generate innovative ideas, adopt alternative perspectives, and experiment with unconventional approaches. Research suggests that intrinsic motivation strongly supports creativity by allowing exploration without external pressure (Cera et al., 2020).

Furthermore, intrinsic motivation contributes to personal resilience. When facing challenges, individuals with strong internal motivation tend to persist due to their belief in the value and meaning of the activity. Such students are better able to manage academic stress and maintain focus despite obstacles (Maharani, 2023).

Overall, intrinsic motivation makes a substantial contribution to both academic and personal development. Intrinsically motivated individuals are generally more autonomous, confident, and responsible for their learning processes. In education, fostering intrinsic motivation involves supporting

students' needs for autonomy, competence, and relatedness, which are essential for optimal personal development (Utomo et al., 2023).

H1: Intrinsic motivation has a significant effect on entrepreneurial mindset.

### **Self-Efficacy**

Self-efficacy refers to an individual's belief in their ability to perform specific actions and achieve desired outcomes. It is not merely the possession of skills, but the perception that those skills can be effectively applied in real-life situations. This belief influences how individuals approach challenges, set goals, and invest effort in achieving them. In everyday contexts, self-efficacy strongly affects motivation and decision-making. Individuals with high self-efficacy tend to believe that their efforts will lead to success, making them more willing to take action and set ambitious goals. In contrast, those with low self-efficacy are more likely to avoid challenging tasks, hesitate to try new experiences, or give up easily when facing obstacles (Thyil & Durden, n.d.)

Self-efficacy is also closely related to how individuals manage stress and failure. People with strong self-belief tend to view setbacks as part of the learning process and opportunities for growth rather than definitive failures. As a result, they are more flexible in seeking solutions, more persistent in repeating efforts, and quicker to recover from setbacks. In educational settings, self-efficacy plays a crucial role in academic achievement. Students who believe in their learning capabilities are more likely to adopt active learning strategies, set challenging academic goals, and maintain commitment even when facing difficult material. This belief not only enhances short-term performance but also fosters a positive long-term orientation toward learning (Albert Bandura, 1977) .

Furthermore, self-efficacy promotes initiative and autonomy. Individuals with strong self-confidence are less dependent on external direction and more willing to take responsibility for their actions. They are more inclined to initiate new projects, explore creative ideas, and act independently. This is particularly relevant in entrepreneurship, where self-belief underpins risk-taking and the pursuit of innovative ideas (Ahmad & Safaria, 2013).

Self-efficacy is not a static trait; it can be developed and strengthened through experience, role models, social encouragement, and positive feedback. Successful task completion and recognition enhance self-belief, while failures managed through reflection and support can serve as valuable learning experiences that reinforce, rather than undermine, self-efficacy (Innovation et al., 2022).

Overall, self-efficacy is a critical psychological component in shaping adaptive behavior, motivation, and long-term success. Strong self-efficacy enables individuals to set high goals, persist through challenges, and continuously innovate. Therefore, in both educational and entrepreneurial contexts, fostering self-efficacy is a key strategy for enhancing individual potential and competitiveness (Cope, 2011).

H2: Self-efficacy has a significant effect on entrepreneurial mindset.

### **Financial Literacy**

Financial literacy is an important concept in the study of economics and financial management, referring to an individual's ability to understand and manage financial resources effectively. Financial literacy is a comprehensive capability that encompasses knowledge, attitudes, and behaviors in making rational and responsible financial decisions. Financial literacy is not merely oriented toward technical knowledge, but also toward its practical application in daily life (Wibowo, A.E., Ratnawati.T., 2019).

Financial literacy consists of three main dimensions, namely financial knowledge, financial attitude, and financial behavior. Financial knowledge relates to an individual's understanding of basic financial concepts such as income management, savings, credit, investment, and financial risk. Financial attitude reflects an individual's perspective and values toward money and future planning, while financial behavior is manifested through actual financial management practices in everyday life.

Some studies emphasize that a low level of financial literacy directly contributes to unhealthy financial behavior. Individuals with poor financial literacy tend to exhibit excessive consumption patterns, reliance on consumptive debt, and inadequate long-term financial planning. Such conditions may lead to financial instability and a decline in economic well-being at both the individual and household levels (Istikhamah & Yuliati, 2016).

In the context of entrepreneurship and business management, financial literacy is regarded as a crucial managerial competence. Research highlights that the ability to understand cash flow, cost structures, and investment feasibility analysis is strongly influenced by the level of financial literacy possessed by entrepreneurs. Adequate financial literacy enables business actors to make more accurate and sustainability-oriented business decisions.

Studies also underscore the importance of financial literacy education as an effort to enhance the quality of human resources. Financial literacy education that is integrated into both formal and non-formal education systems is believed to effectively shape healthy financial attitudes and behaviors from an early age. Through a continuous educational approach, financial literacy can be embedded as an essential life skill (Budhiartha et al., 2024).

Overall, based on the perspectives, financial literacy represents a strategic element in supporting individual well-being, business sustainability, and economic stability. Financial literacy is not only relevant at the micro level, but also carries broader implications for national economic development. Therefore, strengthening financial literacy should be considered a priority in educational and economic development policies (Wibowo, Agung Edy; Vargo, 2024).

H3: Financial literacy moderates the relationship between intrinsic motivation and entrepreneurial mindset

### **Entrepreneurial Mindset**

The entrepreneurial mindset is understood as a set of cognitive patterns that encourage individuals to actively seek opportunities, create value, and take initiative under conditions of uncertainty. This mindset emphasizes action

orientation rather than mere planning, motivating individuals to experiment and learn through direct experience. In entrepreneurship literature, it is viewed as a key psychological factor distinguishing proactive opportunity creators from those who merely respond to change (Cope, 2011).

Opportunity orientation is a core characteristic of the entrepreneurial mindset, reflected in the ability to identify unmet market needs and formulate relevant solutions. This capability relies less on abundant resources and more on creative thinking in leveraging limited resources. Such an approach aligns with the concept of effectuation, which emphasizes decision-making based on existing means to shape future possibilities (Febriano et al., 2026).

Risk-taking within the entrepreneurial mindset does not imply reckless behavior but involves calculated evaluation of potential outcomes and readiness to face uncertainty. Individuals with this mindset tend to tolerate ambiguity and perceive failure as feedback for strategic improvement. This perspective supports the view that experiential learning is a critical mechanism in developing entrepreneurial competence (Cope, 2011).

Adaptability is another essential element, given the dynamic and unstable nature of business environments. It includes the willingness to adjust business models, marketing strategies, and operational approaches in response to external changes. Cognitive flexibility and readiness to pivot are widely recognized as key factors in sustaining business viability, particularly during early stages of venture development (Ahmad & Safaria, 2013).

Personal autonomy and responsibility are also embedded in the entrepreneurial mindset, reflecting an internal locus of control whereby individuals believe outcomes are shaped by their own efforts rather than external forces. Such individuals are more inclined to set challenging goals and demonstrate consistent commitment to achieving them (García, 2017.)

In educational contexts, fostering an entrepreneurial mindset is considered essential for enhancing graduates' readiness to face labor market uncertainty. Learning approaches centered on projects, real-world problem-solving, and collaboration have been shown to effectively cultivate proactive and innovative attitudes. Contemporary entrepreneurship education thus focuses not only on producing entrepreneurs, but on developing individuals capable of creative and solution-oriented thinking across diverse sectors (Thyil & Durden, 2011)

Overall, the entrepreneurial mindset serves as a critical foundation for sustainable and adaptive entrepreneurial behavior. It shapes how individuals interpret challenges, manage resources, and respond strategically to change. Strengthening this mindset enables individuals not only to create new ventures but also to contribute to innovation and competitiveness across organizational contexts (Maharani, 2023).

H4: Financial literacy moderates the relationship between self-efficacy and entrepreneurial mindset.

## Conceptual Frameworks

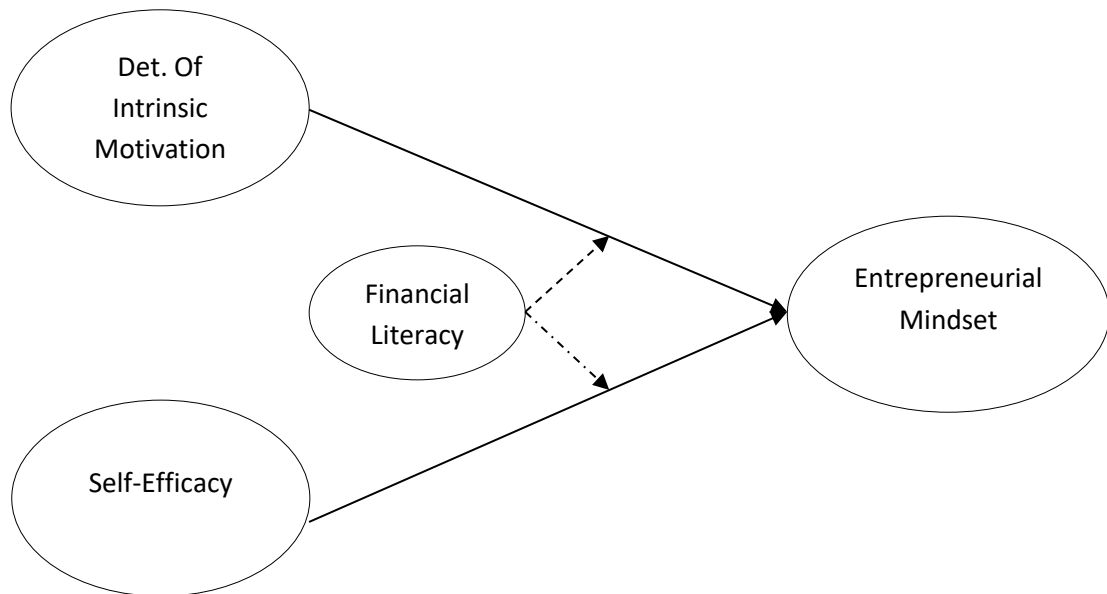


Figure 1. Conceptual Framework

## METHODOLOGY

This study investigates the structural relationships among intrinsic motivation, self-efficacy, financial literacy, and entrepreneurial mindset. The research model comprises two independent variables – intrinsic motivation and self-efficacy – one mediating variable, financial literacy, and one dependent variable, entrepreneurial mindset. Structural Equation Modeling–Partial Least Squares (SEM-PLS) was employed as the analytical approach, using Smart-PLS software to test both the measurement (outer) model and the structural (inner) model (Abnur., A: Wibowo., A.E; Merliine., Y: Maldin ., 2024) and (Hair, 2013).

The population of this study consists of third- and fifth-semester undergraduate students who have completed introductory courses in accounting or financial management as well as entrepreneurship. These criteria were applied to ensure that respondents possessed basic financial and entrepreneurial knowledge relevant to the research variables. A total of 81 respondents were selected using purposive sampling, in which samples are chosen based on predefined objectives and specific inclusion criteria (Sugiyono, 2013).

The measurement model (outer model) was evaluated to assess the reliability and validity of the research instruments. Convergent validity was examined through factor loadings and Average Variance Extracted (AVE), while internal consistency reliability was assessed using Composite Reliability (CR) and Cronbach's alpha. Indicators were considered acceptable if factor loadings exceeded the recommended threshold, and reliability measures met established criteria (Hair, 2013) in (Wibowo & M, 2025).

The structural model (inner model) was evaluated to examine the hypothesized relationships among variables. This evaluation included analysis

of path coefficients, coefficients of determination ( $R^2$ ), and significance levels obtained through bootstrapping procedures (Hair, 2013). The mediating role of financial literacy was assessed by examining indirect effects between the independent variables and entrepreneurial mindset.

The results of both measurement and structural model evaluations are presented in the form of figures and tables and are discussed in the subsequent section.

## RESEARCH RESULT

**Table 1. Convergent Validity**

	Det. of Intrinsic Motivation	Self-Efficacy	entrepreneurial mindset	financial literacy
deter1	0.763			
deter2	0.792			
deter3	0.853			
deter4	0.714			
deter5	0.736			
deter6	0.727			
self1		0.9		
self2		0.85		
self3		0.867		
self4		0.856		
self5		0.886		
self6		0.86		
self7		0.826		
self8		0.879		
entrpre1			0.843	
entrpre2			0.885	
entrpre3			0.882	
entrpre4			0.736	
finl1				0.872
finl2				0.917
finl3				0.846
finl4				0.844

The results of the convergent validity assessment indicate that the measurement model demonstrates satisfactory validity. All retained indicators show factor loadings exceeding the recommended threshold of 0.70, confirming that each indicator adequately represents its respective latent construct (Hair et al., 2021). This finding suggests that the measurement items are capable of capturing the underlying theoretical concepts measured in this study.

The two-stage validation process further strengthens the robustness of the measurement model. Indicators with factor loadings below 0.70 were removed to improve the overall quality of the construct measurement. Specifically, item

x3.1 from the lifestyle variable and item y3 from the entrepreneurial spirit variable were eliminated due to insufficient loading values. The removal of these indicators resulted in improved convergent validity and enhanced the explanatory power of the remaining measurement items.

The elimination of low-loading indicators is consistent with best practices in SEM-PLS analysis, which emphasize model refinement to ensure reliable and valid constructs. By retaining only indicators with strong loadings, the study minimizes measurement error and increases confidence in subsequent structural model analysis. Consequently, the refined measurement model provides a solid foundation for testing the hypothesized relationships among intrinsic motivation, self-efficacy, financial literacy, and entrepreneurial mindset.

Meanwhile, support for validity and reliability was assessed using the Average Variance Extracted (AVE), with the results presented as follows:

**Table 2. Average Variance Extracted**

	Average variance extracted (AVE)
Det. of Intrinsic Motivation	0.586
Self-Efficacy	0.749
entrepreneurial mindset	0.704
financial literacy	0.757

Based on Table 2, all latent variables exhibit Average Variance Extracted (AVE) values greater than 0.50 (Hair et al., 2021). This finding indicates that all constructs demonstrate adequate convergent validity, as each construct explains more than half of the variance of its indicators

**Table 3. Reliability Test**

	Composite reliability (rho_c)
Det. of Intrinsic Motivation	0.894
Self-Efficacy	0.96
Entrepreneurial Mindset	0.904
Financial Literacy	0.926

Based on Table 3, all latent variables exhibit Composite Reliability (CR) values greater than 0.70 (Hair et al., 2021). This result indicates that all constructs demonstrate satisfactory reliability. Reliability was further supported by Cronbach's Alpha measurements, with the results presented as follows.

**Table 4. Cronbach's Alpha**

	Cronbach's alpha
Det. of Intrinsic Motivation	0.86
Self-Efficacy	0.953
Entrepreneurial mindset	0.859

Financial literacy 0.893

---

Based on Table 4, all latent variables exhibit Cronbach’s Alpha values greater than 0.70 (Hair et al., 2021). This indicates that all constructs demonstrate satisfactory internal consistency and are therefore considered reliable

**Discriminant Validity**

The results of the discriminant validity assessment using the Heterotrait-Monotrait Ratio (HTMT) are presented as follows:

**Table 5. Discriminant Validity**

	Det. of Intrinsic Motivation	Self-Efficacy	Entrepreneurial mindset	Financial literacy	Financial literacy x Det. of Intrinsic Motivation	Financial literacy x Self-Efficacy
Det. of Intrinsic Motivation	0.878					
Self-Efficacy	0.311	0.202				
entrepreneurial mindset	0.327	0.22	0.236			
financial literacy	0.251	0.215	0.211	0.224		
financial literacy x Det. of Intrinsic Motivation	0.236	0.219	0.229	0.24	0.835	
financial literacy x Self-Efficacy						

Based on Table 5, discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT), which is considered a more sensitive and accurate measure for detecting discriminant validity. The results show that all HTMT values for each pair of constructs are below the threshold of 0.90, indicating that discriminant validity is well established. This suggests that each construct shares more variance with its own measurement items than with items measuring other constructs (Hair et al., 2021).

Subsequently, discriminant validity was further evaluated using the Fornell-Larcker criterion. The results of this assessment are presented in the table below:

**Table 6. Fornell-Larcker**

	Det. of Intrinsic Motivation	Self-entrepreneurial efficacy mindset	financial literacy
Det. of Intrinsic Motivation	0.766		

Self-Efficacy	-0.792	0.866		
entrepreneurial mindset	0.287	-0.205	0.839	
financial literacy	0.305	-0.223	0.698	0.87

Based on the table 6 above, the square root of the AVE for each construct is greater than its correlations with other constructs. This result indicates that each construct shares more variance with its own indicators than with other constructs, thereby confirming that discriminant validity.

**Model Fit**

The model fit was assessed using the Standardized Root Mean Square Residual (SRMR), with the results presented as follows:

**Table 7. SRMR**

Estimated model	
SRMR	0.076

The Standardized Root Mean Square Residual (SRMR) value presented in Table 10 is 0.076, indicating that the proposed model demonstrates an acceptable level of fit. An SRMR value below the recommended threshold of 0.08 suggests that the empirical data adequately explain the relationships among variables in the research model (Hair, 2013).

Furthermore, the model fit was also assessed using the Normed Fit Index (NFI), the results of which are presented as follows:

**Table 8. Normed Fit Index**

Estimated model	
NFI	0.692

The measurement results indicate that the Normed Fit Index (NFI) value is 0.692, suggesting that the model exhibits a relatively low fit. This value reflects the extent to which the proposed model improves upon a null model that does not assume relationships among constructs. In PLS-SEM, however, NFI is considered a supplementary fit index, and model evaluation primarily relies on predictive and explanatory power rather than overall goodness-of-fit measures.

**Inner Model**

The inner model is used to describe the relationships among latent variables and is evaluated to assess the strength and significance of these relationships. This evaluation includes the analysis of the coefficient of determination (R<sup>2</sup>) and hypothesis testing to determine the explanatory power of the model and the significance of the proposed paths (Hair, 2013).

**Table 10. R Square**

R-square	R-square adjusted
----------	-------------------

Entrepreneurial Mindset	0.938	0.934
-------------------------	-------	-------

The results indicate that the R-square value for entrepreneurial mindset is 0.938. This suggests that 93.8% of the variance in entrepreneurial mindset is explained by the independent constructs included in the model, while the remaining 6.2% is attributable to other factors outside the proposed model.

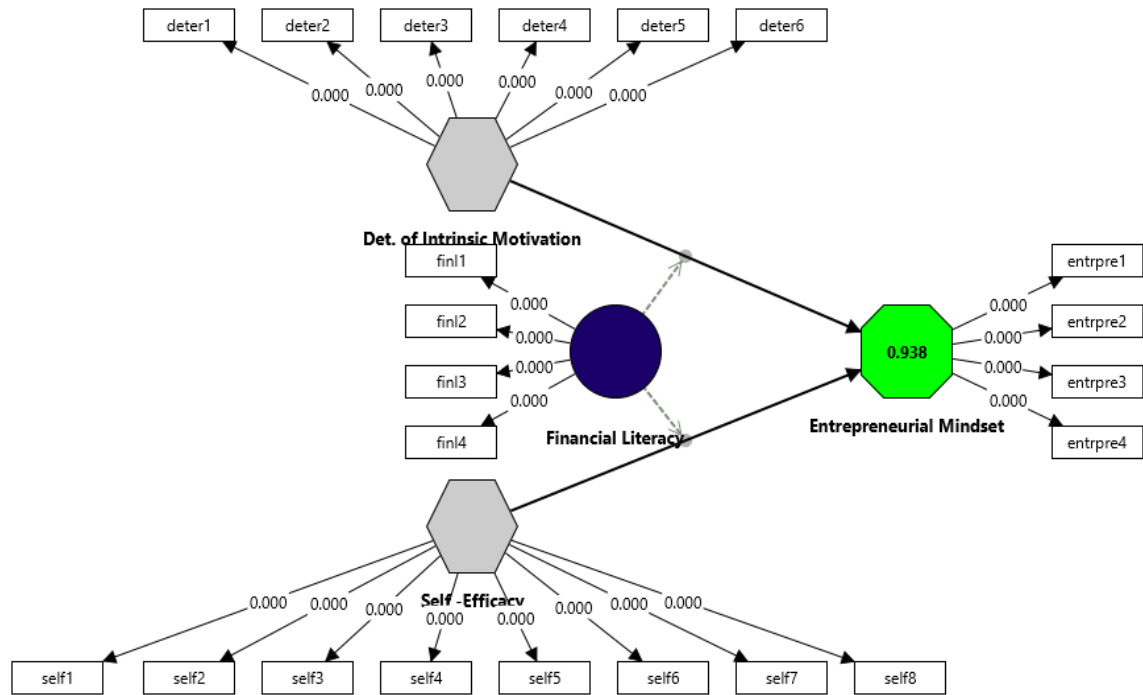


Figure 2. Construct

### Hypothesis Testing

Hypothesis testing was conducted to examine the significance of the relationships among latent variables in the structural model. The analysis was performed using the bootstrapping procedure in SEM-PLS to obtain path coefficients, t-statistics, and p-values. A hypothesis is considered supported if the t-statistic exceeds 1.96 and the p-value is less than 0.05, indicating statistical significance at the 5% level.

The results of the hypothesis testing are presented in Table X. The findings indicate that intrinsic motivation and self-efficacy have significant effects on entrepreneurial mindset. In addition, financial literacy was tested as a moderating variable in the relationships between intrinsic motivation and entrepreneurial mindset, as well as between self-efficacy and entrepreneurial mindset.

Table 11. Direct Effect

	Path Coefficient	T statistics	P values
--	------------------	--------------	----------

Det. of Intrinsic Motivation -> Entrepreneurial Mindset	-0.001	0.017	0.987
Financial Literacy -> Entrepreneurial Mindset	0.972	62.065	0.000
Self -Efficacy -> Entrepreneurial Mindset	0.009	0.189	0.850

---

Based on Table 11, the results indicate that intrinsic motivation does not have a significant direct effect on entrepreneurial mindset, as reflected by a path coefficient of  $-0.001$  and a p-value of  $0.987$ .

In contrast, financial literacy has a significant positive effect on entrepreneurial mindset, with a path coefficient of  $0.972$  and a p-value of  $0.000$ . This result suggests that an increase in financial literacy leads to a substantial improvement in entrepreneurial mindset by  $0.972$  units.

Furthermore, self-efficacy does not show a significant effect on entrepreneurial mindset, as indicated by a path coefficient of  $0.009$  and a p-value of  $0.850$ .

## **DISCUSSION of HYPOTHESES RESULTS**

The findings indicate that intrinsic motivation does not have a significant direct effect on entrepreneurial mindset. This result contrasts with several prior studies that emphasize the importance of internal motivation in shaping entrepreneurial behavior. One possible explanation is that intrinsic motivation alone may not be sufficient to translate into an entrepreneurial mindset without supporting competencies, particularly practical financial knowledge. In the context of students, motivation may exist at an attitudinal level but may not yet manifest as a concrete entrepreneurial orientation in the absence of applied skills.

Similarly, self-efficacy was found to have no significant direct effect on entrepreneurial mindset. Although self-efficacy is widely recognized as a key psychological driver of entrepreneurial intention, its impact may be context-dependent. In this study, students' confidence in their abilities may not directly influence their entrepreneurial mindset if they lack opportunities to apply those abilities in real entrepreneurial or financial decision-making situations. This suggests that perceived capability alone does not automatically lead to an entrepreneurial way of thinking without relevant domain-specific knowledge.

In contrast, financial literacy shows a strong and significant positive effect on entrepreneurial mindset. This finding highlights the critical role of financial knowledge and skills in shaping how individuals perceive opportunities, assess risks, and make strategic decisions. Students with higher levels of financial literacy are better equipped to evaluate the feasibility of business ideas, manage uncertainty, and make informed entrepreneurial choices. Consequently, financial literacy serves as a foundational competence that enables the development of an entrepreneurial mindset.

These results suggest that in educational settings, particularly among undergraduate students, practical competencies such as financial literacy may play a more decisive role than purely psychological factors. While intrinsic

motivation and self-efficacy remain important, their influence may be indirect and contingent upon the presence of enabling skills. Therefore, entrepreneurship education should integrate financial literacy more explicitly to bridge the gap between motivation, confidence, and entrepreneurial thinking.

Overall, the findings contribute to the entrepreneurship literature by demonstrating that financial literacy is a key explanatory variable in the formation of entrepreneurial mindset, while intrinsic motivation and self-efficacy may require mediating or moderating mechanisms to exert significant influence. This underscores the importance of competency-based approaches in entrepreneurship education and supports the inclusion of financial literacy as a core component in curriculum design

**Table 13. Indirect Effect**

	Path Coefficient	T statistics	P values
Financial Literacy x Self - Efficacy -> Entrepreneurial Mindset	0.002	0.035	0.972
Financial Literacy x Det. of Intrinsic Motivation -> Entrepreneurial Mindset	0.362	2.144	0.032

Based on Table 13, financial literacy does not significantly moderate the relationship between self-efficacy and entrepreneurial mindset ( $\beta = 0.002$ ;  $p = 0.972$ ). Conversely, financial literacy significantly moderates the relationship between determination of intrinsic motivation and entrepreneurial mindset ( $\beta = 0.362$ ;  $p = 0.032$ ). This indicates that the interaction between financial literacy and intrinsic motivation contributes to a meaningful increase in entrepreneurial mindset, with a moderately strong effect.

The findings indicate that financial literacy plays a crucial moderating role in strengthening the effect of intrinsic motivation on entrepreneurial mindset. This suggests that individuals with high intrinsic motivation are more likely to translate their internal drive into an entrepreneurial mindset when supported by adequate financial literacy. In contrast, financial literacy does not enhance the influence of self-efficacy, implying that confidence alone may not be sufficient to foster an entrepreneurial mindset without relevant financial understanding. These results highlight the importance of integrating financial literacy into entrepreneurship education to maximize the impact of motivational factors on entrepreneurial development.

The significant moderating role of financial literacy in the relationship between intrinsic motivation and entrepreneurial mindset aligns with effectuation theory, which emphasizes decision-making based on available means rather than predictive planning. Intrinsic motivation represents an individual's internal drive, while financial literacy functions as a critical means

that enables motivated individuals to evaluate resources, manage uncertainty, and make affordable loss decisions. When these two elements interact, individuals are better equipped to transform motivation into entrepreneurial action and mindset.

The absence of a moderating effect of financial literacy on self-efficacy suggests that perceived confidence alone may not be sufficient to develop an entrepreneurial mindset unless accompanied by practical financial capabilities. This finding reinforces the effectuation perspective that emphasizes actionable knowledge and resource utilization over mere self-belief (Judge & Bono, 2001).

From a policy and educational perspective, these results imply that entrepreneurship education should move beyond fostering motivation and confidence, and instead integrate applied financial literacy within experiential learning frameworks. Curriculum designs should emphasize project-based learning, financial decision-making simulations, and real-world entrepreneurial problem-solving to help students operationalize their intrinsic motivation. Such an approach can enhance students' readiness to navigate uncertainty and strengthen the development of a sustainable entrepreneurial mindset.

## **CONCLUSION AND RECOMMENDATION**

The data analysis leads to several conclusions regarding the proposed hypotheses. First, determination of intrinsic motivation does not have a significant direct effect on entrepreneurial mindset. This suggests that intrinsic motivation alone is insufficient and requires support from other factors, such as financial literacy, to meaningfully influence entrepreneurial mindset, consistent with prior studies indicating the importance of contextual support (Istikhamah & Yuliati, 2016)

Second, self-efficacy does not significantly influence entrepreneurial mindset. This finding indicates that confidence in one's abilities must be translated into concrete entrepreneurial actions, such as experiential training or practice, to affect mindset development. Previous research also emphasizes that self-efficacy becomes more impactful when supported by experience and a conducive environment (Albert Bandura, 1977).

Third, financial literacy has a significant positive effect on entrepreneurial mindset. Financial knowledge enables individuals to better understand risks and opportunities, thereby fostering more informed entrepreneurial thinking. This result aligns with studies highlighting the critical role of financial literacy in entrepreneurial decision-making (Lusardi, 2015).

Fourth, financial literacy significantly moderates the relationship between intrinsic motivation and entrepreneurial mindset. This indicates that financial knowledge strengthens the effect of intrinsic motivation by helping individuals convert motivation into structured and actionable entrepreneurial behavior.

Finally, financial literacy does not moderate the relationship between self-efficacy and entrepreneurial mindset. This may be due to self-efficacy being more strongly influenced by direct experience rather than financial knowledge alone, suggesting the need for alternative strategies to enhance the role of self-efficacy in shaping entrepreneurial mindset (Indriyani et al., 2020).

From a policy perspective, the findings highlight the strategic importance of financial literacy as a core pillar of entrepreneurship education. Educational policymakers should integrate applied financial literacy systematically across higher-education curricula, particularly within entrepreneurship and vocational programs. Financial capability enables students to translate intrinsic motivation into informed entrepreneurial action by improving their understanding of risk, resource allocation, and opportunity evaluation. Policies should therefore support curriculum standards that combine entrepreneurship with practical financial decision-making, consistent with the **effectuation approach**, which emphasizes starting with available means and managing uncertainty rather than relying solely on predictive planning.

#### **ADVANCE RESEARCH**

Future studies should explore the **role of experiential learning and entrepreneurial ecosystems** as mediating variables between self-efficacy and entrepreneurial mindset. Since self-efficacy did not show a significant direct effect in this study, further research could examine whether practical experience, mentoring, or industry engagement better explain how confidence is translated into entrepreneurial cognition and behavior.

#### **ACKNOWLEDGMENT**

The authors would like to express their sincere gratitude to all respondents who participated in this study, as well as to the academic institutions and lecturers who supported the data collection process. Appreciation is also extended to colleagues and reviewers whose constructive feedback contributed to the improvement of this research.

## REFERENCE

- Abnur., A: Wibowo., A.E; Merliine., Y: Maldin ., S. A. (2024). Literasi Keuangan, Pembelajaran Manajemen Keuangan di Perguruan Tinggi Terhadap Gaya Hidup dan Semangat Berwirausaha. *Jurnal Akuntansi Barelang*, Universitas Putera Batam, 8(June), 1-16.
- Bandura, A. (2007). *Social Learning Theory*. Englewood Cliffs: Prentice Hall.
- Bandura, Albert. (1977). Self-efficacy : Toward a Unifying Theory of Behavioral Change. 84(2), 191-215.
- Budhiartha, I. N., Wibowo, A. E., & Nasution, M. N. A. (2024). Status Sosial Keluarga, Literasi Keuangan Terhadap Manajemen Keuangan Individu dan Lifestyle. 12.
- Cera, G., Mlouk, A., Cera, E., & Shumeli, A. (2020). The Impact of Entrepreneurship Education on Entrepreneurial Intnetion . A Quasi-Experimental Research Design.12, 39-56.
- Cope, J. (2011). Entrepreneurial learning from failure: An interpretative phenomenological analysis.
- Febriano, R., Setiawan, W., & Khoirunisa, R. N. (2026). Self-Efficacy and Self-Adjustment of First-Year Students Living Away from Home : Implications for Educational Management. 05(01), 356-368.
- García, A. N. A. G. (n.d.). Relationship between academic self-efficacy , performance and anxious and depressive symptoms in emerging adult college students. 57, 87-109.
- Hair, E. al. (2013). A Primer on Partial Least Squares Structural Equation Modeling. *Long Range Planning*, 46(1-2), 184-185. <https://doi.org/10.1016/j.lrp.2013.01.002>
- Indriyani, R., Darmawan, R. C., & Gougui, A. (2020). Entrepreneurial Spirit Among University Students in Indonesia. 01042.
- Innovation, B., Kum, B. A., & Paper, F. (2022). Creativity and Business Innovation The Effect of Intrinsic and Extrinsic Motivation on Student Learning Effectiveness ( Case Study : International Students of Estonian Entrepreneurship University of Applied Science).
- Istikhamah, I.-, & Yuliati, L. N. (2016). The Influence of Motivation, Needs, and Access to Information on Family Financial Planning in Life Insurance Purchasing. *Journal of Consumer Sciences*, 1(2), 28. <https://doi.org/10.29244/jcs.1.2.28-42>
- Judge, T. A., & Bono, J. E. (2001). Relationship of Core Self-Evaluations Traits – Self-Esteem , Generalized Self-Efficacy , Locus of Control , and Emotional Stability – With Job Satisfaction and Job Performance : A Meta-Analysis. 86(1), 80-92. <https://doi.org/10.1037//0021-9010.86.1.80>

- Legault, L. (2016). Intrinsic and Extrinsic Motivation. <https://doi.org/10.1007/978-3-319-28099-8>
- Lusardi, A. (2015). Financial Literacy Skills for the 21st Century; Evidence from PISA. *The Journal of Consumer Affairs*, Fall(34).
- Maharani, I. A. (2023). The Influence of Self-Efficacy on Students' Academic Achievement.11)2),56-57. <https://doi.org/10.23887/jpbi.v11i2.2645>
- Ryan, R. M., & Deci, E. L. (2000). Intrinsic and Extrinsic Motivations : Classic Definitions and New Directions. 67, 54–67. <https://doi.org/10.1006/ceps.1999.1020>
- Sugiyono. (2013). *Metode Penelitian Kuantitatif, Kualitatif dan R & D* (18th ed.). CV Alfabeta.
- Thyil, V., & Durden, G. (n.d.). What Exactly Is Entrepreneurial Spirit? A Conceptual Framework And Empirical Evidence What Exactly Is Entrepreneurial Spirit? A Conceptual Framework And Empirical Evidence. 1–21.
- Utomo, R. C., Andayani, B., Yogyakarta, U. N., & Mada, U. G. (2023). *Psychological Research and Intervention*. 6(1), 18–25.
- Wibowo, A. E., & M, K. Jackson. (2025). Gender Issues and Their Impact on Guest Complaint Handling Effectiveness in Budget Hotels within Tourism Industry. 6(6), 4201–4219.
- Wibowo, A.E., Ratnawati.T., S. S. (2019). The influence of Parent ' s Socio-Economic Status , Family Financial Governance , Financial Learning in Higher Education on Financial Literacy , Lifestyle and Human Capital Investment of Economics and Business Students in Batam City Indonesia. *Journal of Archives of Business Research - Vol.7, No.6* Publication Date: June. 25, 2019 DOI: 10.14738, 7(6), 33–43.
- Wibowo, Agung Edy; Vargo, T. (2024). Employee Performance in Terms of Gender.13(1).