



Does Entrepreneurship Education Matter for Students' Business Success? The Mediating Role of Entrepreneurial Mindset

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Abstract: Over the recent past, entrepreneurship has become an increasingly popular topic. Many individuals are interested in becoming entrepreneurs and developing their businesses. However, not everyone has the skills to be a successful entrepreneur. There are several elements that can have an impact on business success, one of which is having an entrepreneurial mindset. The purpose of this paper is to determine the role of entrepreneurial mindset in mediating entrepreneurship education on student business success. The research data used is primary data by distributing questionnaires to respondents. The population in this study were students of the Faculty of Economics and Business Sciences, Pelita Bangsa University. The sample in this study was using Non-Probability Sampling. The sample used in this study were 100 respondents using the nonprobability sampling method, namely accidental sampling, which is a sampling technique based on chance, anyone who by chance / incidentally meets the researcher can be used as a sample if it is deemed that the person who happened to be met is suitable as a data source. In this study, the data analysis techniques used were descriptive analysis techniques and inferential analysis techniques using Partial Least Square (PLS) analyzers. According to the research results, entrepreneurship education and entrepreneurial mindset significantly affect students' business success.

Keywords: Business Success; Entrepreneurship Education; Entrepreneurial Mindset

INTRODUCTION

The topic of entrepreneurship has increased in popularity recently because encouraging entrepreneurial interest among students is considered a solution to reduce unemployment rates (Sugiantari & Suasana, 2016). There are many individuals who are interested in becoming entrepreneurs and developing their own businesses. However, not all individuals have the capability to become successful entrepreneurs. There are various elements that can impact business success, one of which is the adoption of an entrepreneurial mindset (Manafe et al., 2023). According to data from the Ministry of Cooperatives and SMEs, the current level of entrepreneurship in Indonesia has only reached 3.47%, which is relatively low. Meanwhile, the percentage of entrepreneurship has been considered a necessary condition for Indonesia to achieve the status of a developed country by 2045. Therefore, Indonesia should have at least 4% of its population as entrepreneurs. Singapore has an entrepreneurship rate of 8.6%, while Thailand has an entrepreneurship rate that exceeds 4%. Youth, as the heirs of the country, are expected to be the main drivers in increasing the entrepreneurship rate in Indonesia. A youth who is known for his high energy and passion has all the factors that enable him to start a new business. Furthermore, the rapid development of technology today will make it easier for young people to become entrepreneurs (Rosmiati et al., 2022). Forming an entrepreneur can be done through an entrepreneurial learning process which can be implemented in the family, community, and educational institutions (Aryani Puji Astuti, 2020).

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Entrepreneurship education can be explained as a step to implement understanding, form a mentality, and train skills and expertise by profession. In addition, entrepreneurship education intends to educate students on how to become independent entrepreneurs. In addition, emphasis is also placed on creating and maintaining a learning environment that emphasizes entrepreneurial traits and behaviors, such as having innovative and independent thinking, taking risks, being responsible, and respecting diversity (Hasan, 2020). Educating students about entrepreneurship is very important so that after graduation they do not only rely on jobs in private or government companies but can open opportunities as entrepreneurs. By setting up a business, one will provide employment opportunities to others. Therefore, by presenting job opportunities, students can make changes and contributions to society. Knowledge about entrepreneurship in this study is measured through three clues as follows: 1) Basic knowledge of entrepreneurship 2) Knowledge of business ideas and opportunities 3) Knowledge of business elements (Sanusi et al., 2018).

In addition to education, another aspect that influences entrepreneurship is the entrepreneurial mindset. Entrepreneurial thinking not only focuses on personal capabilities, but also involves knowledge, experience, innovative ideas, problem-solving, and opportunity exploration (Kardila & Puspitowati, 2022). Entrepreneurship education at the tertiary level needs to pay attention to teaching strategies that ask students to be directly involved in business activities and practice applying entrepreneurial approaches in order to improve their entrepreneurial mindset. An entrepreneurial mindset can be formed after individuals obtain education or knowledge about entrepreneurship (Cahyono & Sarjita, 2022). The importance of having an entrepreneurial mindset is to determine business excellence in creating job opportunities. An entrepreneurial mindset also shows courage in finding valuable ideas. So as to be able to act to turn opportunities into reality (Purba, 2021). In this study, entrepreneurial mindset is a factor measured using three indicators, namely: 1) Self-confidence 2) Sense of Responsibility 3) Creative Thinking Ability (Sanusi et al., 2018). The higher entrepreneurial awareness of an entrepreneur is expected to help them achieve success faster than those with lower entrepreneurial awareness. For an entrepreneur, success involves four main factors namely 1) Financial success that can be observed from financial performance; 2) The ability to achieve set expectations; 3) Personal growth; 4) Achievements that exceed expectations that are generally expected (Artha & Wahyudi, 2021).

Based on the above, this study aims to investigate how entrepreneurship education affects students' business success while considering the role of entrepreneurial mindset as a mediator. It also aims to find out how effective entrepreneurship education is in preparing students with the necessary skills, knowledge, and mentality to succeed in the business world. It is also intended to discover and evaluate how entrepreneurial mindset can mediate between entrepreneurship education and success in business, in order to better understand in detail how the relationship is formed.

METHODS

This research uses quantitative methods by collecting data through the use of questionnaires distributed online. The population in this study were Entrepreneurship Study Program Students of the Faculty of Economics and Business Sciences, Pelita Bangsa University. The sample in this study was using Non-Probability Sampling. The sample used in this study was 100 respondents using a non-probability sampling method, namely accidental sampling, which is a sampling technique based on chance, anyone who happens to meet the researcher can be used as a sample if it is deemed

that the person who happened to be met is suitable as a data source (Jasmalinda, 2021). The information collection will focus on evaluating students' business success, the level of entrepreneurship education they have received, and assessing their entrepreneurial mindset. To conduct data analysis, we will use the Partial Least Squares Structural Equation Modeling (PLS-SEM) method. PLS-SEM was chosen because of its advantages in handling complex models and allowing researchers to test the relationship between variables by taking into account hidden variables. Data processing will involve testing the validity and reliability of the measurement tools as well as testing the structural model to test the research assumptions. It is expected that the analysis of the results will provide a deeper understanding of how entrepreneurship education affects students' business success, and also explain the role of entrepreneurial mindset in the relationship as a mediator.

RESULTS AND DISCUSSION

Analysis of the Research Model

The analysis of the research model aims to check the validity of the variables and the overall concept being tested in the research. The evaluation results will determine whether the research model is eligible to proceed to the next stage of research. In this study, all factors were involved and analyzed using Smart PLS version 3.0. The results show that the level of validity has met the required standard, which exceeds 0.7. Therefore, the research can proceed to the next stage.

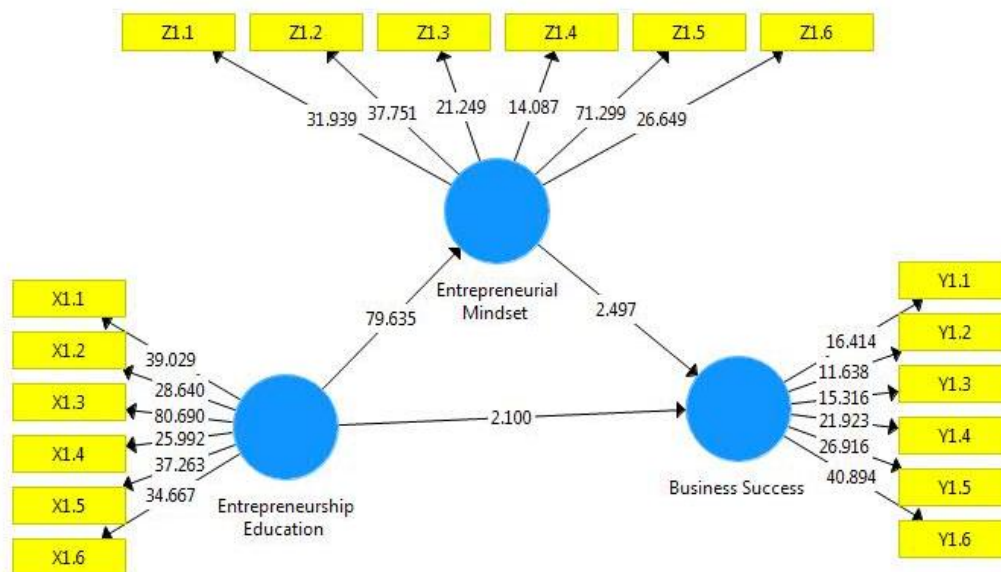


Figure 1. Research Model on Smart PLS

Source: data processed 2023

Measurement Model Results (Outer Model)

Outer loadings are a set of search variables with specific results. To evaluate the validity of research questions, the criteria used are Outer loadings must exceed 0.7 (Hamid & Anwar, 2019). In this study, data analysis was performed using Smart-PLS to verify the validity of the variable index. The results of the indicator validity evaluation show that all variables meet the validity standards because they have a score greater than 0.7. Therefore, each measurement in this study is considered valid if its value exceeds the 0.7 level.



Table 1. Outer Loading Test Results

	Entrepreneurship Education	Entrepreneurial Mindset	Business Success
X1.1	0.934		
X1.2	0.913		
X1.3	0.963		
X1.4	0.904		
X1.5	0.930		
X1.6	0.922		
Z1.1		0.888	
Z1.2		0.912	
Z1.3		0.847	
Z1.4		0.798	
Z1.5		0.927	
Z1.6		0.877	
Y1.1			0.845
Y1.2			0.743
Y1.3			0.819
Y1.4			0.849
Y1.5			0.887
Y1.6			0.909

Source: Processed data (2023)

Average Variance Extracted (AVE)

The average value of the variance extracted (AVE) calculated with Smart-PLS serves as an indication of the overall validity of the constructs studied in a study. The criteria set at the time of testing must meet the requirements of validity or feasibility, in particular, the AVE value must exceed 0.5 (Hamid & Anwar, 2019). The results of data processing show that the AVE values of all variables meet the criteria for significant validity because they all have a value greater than 0.5. In this way, all notes are considered valid because they meet the standard AVE value greater than 0.5.

Table 2. AVE Result

Variable	AVE	Description
Entrepreneurship Education	0.712	Valid
Entrepreneurial Mindset	0.767	Valid
Business Success	0.861	Valid

Source: Processed data (2023)

Reliability Test

In the PLS-SEM method, in addition to checking validity, it is also important to check the reliability of the data used. Reliability testing is useful for showing the accuracy, consistency, and accuracy of a measuring instrument in the measurement concept. Two methods can be used to assess construct reliability using reflective indices using composite reliability and Cronbach's alpha. As a general rule, a construct can be considered reliable if its composite reliability value exceeds 0.70. However, using Cronbach's Alpha to evaluate construct reliability tends to provide values that are too low, so using composite reliability would be better (Hamid & Anwar, 2019).



Table 3. Cronbach's Alpha and Composite Reliability Values

Variable	Cronbach Alpha's	rho_A	Composite Reliability	Description
Entrepreneurship Education	0.918	0.926	0.937	Reliable
Entrepreneurial Mindset	0.939	0.945	0.952	Reliable
Business Success	0.968	0.969	0.974	Reliable

Source: data processed 2023

Cross Loading

In this study, cross-loading is used to evaluate discriminant validity by examining the cross-loading value. Analysis using Smart-PLS shows that each cross-loading value for each construct is higher than other constructs (Qadri & Sinambela, 2024). The results of the table analysis show that each index in this study meets the cross-loading requirements. In this context, each survey item or question must be able to effectively distinguish other constructs or factors to ensure that the instruments used in this study have a satisfactory level of discriminant validity value.

Table 4. Cross Loading

	Entrepreneurship Education	Entrepreneurial Mindset	Business Success
X1.1	0.934	0.930	0.893
X1.2	0.913	0.866	0.856
X1.3	0.963	0.896	0.848
X1.4	0.904	0.834	0.765
X1.5	0.930	0.845	0.791
X1.6	0.922	0.883	0.798
Z1.1	0.823	0.888	0.760
Z1.2	0.868	0.912	0.795
Z1.3	0.767	0.847	0.756
Z1.4	0.709	0.798	0.672
Z1.5	0.904	0.927	0.903
Z1.6	0.831	0.877	0.794
Y1.1	0.835	0.820	0.845
Y1.2	0.655	0.630	0.743
Y1.3	0.642	0.639	0.819
Y1.4	0.687	0.770	0.849
Y1.5	0.799	0.806	0.887
Y1.6	0.852	0.828	0.909

Source: Processed data (2023)

Structural Model Test Results (Direct Effect)

Direct effects refer to the direct relationship between two factors, such as independent factors and dependent factors, in a research environment. To evaluate the significance of a relationship or hypothesis, we use the t-statistic where the test value must exceed 1.96 and the p-value must be less than 0.05 (Hamid & Anwar, 2019). In another way, a relationship is considered important if the t-statistic exceeds the 1.96 threshold and the p-value is less than 0.05. The path coefficient is a way to measure how strong the relationship or correlation is between the independent variable and the dependent variable (Hamid & Anwar, 2019). In the table below all hypotheses show significance.



Table 5. Test Result Path Coefficient Direct Effect

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Entrepreneurial Mindset -> Business Success	0.495	0.487	0.191	2,587	0.010
Entrepreneurship Education -> Business Success	0.423	0.434	0.197	2,145	0.032
Entrepreneurship Education -> Entrepreneurial Mindset	0.945	0.946	0.012	79,538	0.000

Source: Processed data (2023)

Structural Model Test Results (Indirect Effect)

Indirect effect refers to the indirect relationship between driving factors and factors influenced by intervening factors. Data analysis was carried out using Smart-PLS, with predetermined significance criteria, namely the statistics must reach a test value greater than 1.96 and the p-value must be less than 0.05 (Hamid & Anwar, 2019). In other words, the effect is not significantly considered large enough if the t-statistic value exceeds the critical value of 1.96 and the p-value is less than 0.05.

Table 6. Test Result of Path Coefficient Indirect Effect

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Entrepreneurship Education -> Entrepreneurial Mindset -> Business Success	0.467	0.460	0.179	2,605	0.009

Source: Processed data (2023)

R-Square Test Results

R-square in a study aims to measure how much the research model contributes and the ability to explain the relationship between the independent variable and the dependent variable. The entrepreneurship education variable in this study shows a significant level of strength with a value of 0.820, which means that this variable has an influence of 82% on the level of business success. The entrepreneurial mindset variable in this study shows a significant level of strength with a value of 0.892, which means that this variable has an influence of 89.2% on the level of business success.

Table 7. R-Square Result

Variable	R Square	R Square Adjusted
Entrepreneurship Education	0.820	0.816
Entrepreneurial Mindset	0.893	0.892

Source: Processed data (2023)



Entrepreneurial Mindset and Business Success

The study results suggest that an entrepreneurial-oriented way of thinking has a great impact on students' business success. These findings emphasize the importance of developing an entrepreneurial mindset in an educational context to prepare students for the challenges of the business world. An active attitude, opportunity focus, perseverance and creativity are key aspects of an entrepreneurial mindset that can help students succeed in their businesses. These results corroborate the notion that entrepreneurship education not only provides practical knowledge and skills but also shapes the mental attitudes necessary to achieve success as an entrepreneur. That is, the results of this study suggest that entrepreneurship education should be more than just theory and practice. It also emphasizes the importance of developing an optimistic and adaptable entrepreneurial mindset. The results of this study are in line with research conducted (Shetty G. et al., 2024) that an entrepreneurial mindset has a contribution to business success.

Entrepreneurship Education and Business Success

From the results of the studies that have been conducted, it can be concluded that there is a meaningful relationship between entrepreneurship education and students' business success. Entrepreneurship education is not only about providing knowledge and practical skills in managing a business but also about shaping attitudes and mindsets that will support success in running a business. Therefore, this finding confirms the importance of entrepreneurship education in supporting the development of student's ability to succeed in an increasingly complex and competitive business environment. The implications of the results of this study indicate how vital the incorporation of entrepreneurship education in the college curriculum is as a step to prepare young people to face the challenges and opportunities in the global business market. The results of the research conducted (Untari, 2022) explain that entrepreneurship education is needed to improve business continuity. Therefore, curriculum planning, content, and business incubator facilities in educational institutions are crucial to providing basic knowledge and skills in entrepreneurship.

Entrepreneurship Education and Entrepreneurial Mindset

The study results show that there is a significant relationship between entrepreneurship education and entrepreneurial mindset in university students who are the subject of the study. By participating in entrepreneurship education programs, students will receive hands-on learning and practical experience that can help them improve their attitudes, skills, and knowledge needed to face various challenges in the business world in a proactive and innovative manner. Thus, this study makes a significant contribution to supporting the importance of integrating entrepreneurship education into the higher education curriculum to form a mindset that supports entrepreneurial growth among students. Research conducted (Cahyono & Sarjita, 2022) explains that entrepreneurship education in higher education needs to take into account teaching methods that encourage students to gain practical experience in the business world and hone the ability to apply entrepreneurial approaches to develop their entrepreneurial mindset. An entrepreneurial mindset can develop after a person obtains education or knowledge about entrepreneurship.



Entrepreneurship Education, Entrepreneurial Mindset, and Business Success

The study findings show that entrepreneurship education has an important impact on students' business success through entrepreneurial thinking as an intermediary. The findings suggest that students who receive effective entrepreneurship education tend to have a more robust entrepreneurial mindset, which in turn increases their chances of future business success. This is in line with the theory that entrepreneurship education not only provides knowledge and skills that can be used immediately but also shapes a proactive, innovative, and risk-taking way of thinking, which are key characteristics of a successful entrepreneur. The conclusion of these findings shows how important it is to improve entrepreneurship education in universities so that students are better prepared to face fierce business competition. Business activities involve varying degrees of uncertainty, therefore, skilled entrepreneurs can develop strategic plans based on their knowledge. Knowledge and entrepreneurial thinking play an important role in the process of creating startups and developing new businesses (Saptono et al., 2020).

CONCLUSION

According to the research results, entrepreneurship education and entrepreneurial mindset significantly affect college students' business success. The study found that entrepreneurship training can significantly have a positive impact on college students' business performance. This shows how important formal education is in preparing individuals for success in entrepreneurship. The results also revealed that entrepreneurship education has a positive impact on entrepreneurial mindset, highlighting the importance of education in shaping resilient entrepreneurial attitudes. In addition, the study found that an entrepreneurial mindset acts as a link between entrepreneurship education and students' business achievement. Indicating that in order to achieve success in the business world, students need to acquire entrepreneurship education and cultivate a mindset that matches the needs of today's businesses. Overall, this study provides a deeper understanding of the complex interrelationship between entrepreneurship education, entrepreneurial mindset, and students' business success. The study also emphasizes the importance of incorporating these two factors in the educational curriculum so that future generations are prepared for the increasing complexity of the business world.

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