



## The influence of self-efficacy and financial literacy on entrepreneurship intention in Medan city

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### ABSTRACT

This study aims to provide empirical evidence regarding the effect of self-efficacy and financial literacy on entrepreneurial intentions of entrepreneurs in the city of Medan by testing each variable. The population in this study are all entrepreneurs in Indonesia whose number is not known with certainty and the sample is 384 people. The research method used is multiple linear regression analysis. The results of the calculation of partial hypothesis testing obtained the self-efficacy variable obtained a value of  $t_{count} < t_{table}$  or  $-0.601 < 0.05$  and a significant obtained  $0.548 > 0.05$  and financial literacy obtained a value of  $t_{count} > t_{table}$  or  $16.043 > 0.05$  and a significant obtained  $0.000 < 0.05$ . So, the self-efficacy variable has no effect on the entrepreneurial intentions of entrepreneurs in the city of Medan and financial literacy has a positive and significant effect on the entrepreneurial intentions of entrepreneurs in Indonesia. Results The calculation results of simultaneous hypothesis testing obtained the value of  $F_{count} (213.628) > F_{table} (3.019)$  with a significance level of  $0.000 < 0.05$ . So simultaneously, the variables of self-efficacy and financial literacy have a positive and significant effect on the entrepreneurial intentions of entrepreneurs in Indonesia. The results of the test for the coefficient of determination obtained an R Square value of 0.526. This shows that 52.6% of the variables of self-efficacy ( $X_1$ ) and financial literacy ( $X_2$ ) are able to explain the entrepreneurial intention variable ( $Y$ ) of entrepreneurs in the city of Medan, the remaining 47.4% are influenced by other variables not examined in this study such as personal financial management, knowledge entrepreneurship, and so on. In summary, the research findings indicate that self-efficacy does not have a significant impact on the entrepreneurial intentions of entrepreneurs in the city of Medan, Indonesia.

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## 1. INTRODUCTION

Significant economic changes have occurred in the current era (Apweni et al., 2023). Many changes have occurred even in the current technological era (Andi, Purba, & Yunis, 2019). The Indonesia is a country that has a high population growth rate and is increasing. Along with the rapid increase in population, many problems arise, one of which is the increase in the number of unemployed. The increase in the number of unemployed is caused by the learning system in Indonesia which tends to produce graduates as job seekers rather than job creators. This phenomenon causes the unemployment rate to increase, where the absorption of employment is not proportional to the number of job seekers (Mutiarasari, 2018). The solution to reducing the unemployment rate in Indonesia is entrepreneurship so that it can open jobs for those who are not yet working. Therefore, efforts are needed to stimulate entrepreneurial intentions/interests among young entrepreneurs, so that there is optimism that creative industry business fields will emerge from these young entrepreneurs (Puspitaningtyas, 2017). The phenomenon found is that the number of young people who have businesses is still very small compared to other countries. Entrepreneurial development in Indonesia is still below 2% of the total population when compared to other countries such as the United States of 11%, Singapore of 7%, and Malaysia of 5%. Entrepreneurship in Indonesia has not fully been able to positively lift the economy from the poverty line to date (Sunnatullah, Nawarcono, & Ekowati, 2022). This can be interpreted that the entrepreneurial intentions of the younger generation are still very low. In addition, the increasingly rapid development of the business world has an impact on intense competition for business people (Saputri, 2021). This condition is certainly influenced by various factors, of which the most dominating is the self-confidence and ability to manage the finances of the entrepreneur. Theoretically, self-confidence in entrepreneurship is often interpreted as self-efficacy in entrepreneurship, while the ability to manage finances when entrepreneurship is interpreted as financial literacy (Nurbaeti, Mulyati, & Sugiharto, 2019).

Individuals with high self-efficacy means having high self-confidence. High self-confidence of an entrepreneur will make the individual feel optimistic and interested in starting entrepreneurship (Sintya, 2019). So it can be concluded that the higher the self-efficacy, the higher the entrepreneurial intention in entrepreneurship. This is supported by the results of research conducted by Hasanah and Rafsanjani (2021), Prastiwi et al. (2022), and Khoiriyah et al. (2022) explains that self-efficacy influences entrepreneurial intentions of entrepreneurs. However, these previous studies are in contrast to research conducted by Liadi and Budiono (2019), Supeni et al. (2021), and Kumalasari et al. (2022) which explains that there is no effect of self-efficacy on entrepreneurial intentions of entrepreneurs.

Literacy in finance is very useful for individuals, especially those who want to become entrepreneurs because it makes it easier to monitor and control funds, record salaries and expenses, decide on fees and benefits offers, and analyze trades so that the trades executed are viable and profitable (Sriyono, 2021). This is supported by the results of research conducted by Sari et al. (2021) and Silviana and Megayanti (2022) explaining that financial literacy affects entrepreneurial intentions of entrepreneurs. However, these previous studies contradict the research conducted by Effrisanti and Wahono (2022), Alshebami and Marri (2022), and Utami and Wahyuni (2022) which explain that there is no effect of financial literacy on entrepreneurial intentions of entrepreneurs.

Previous studies that were carried out only focused on students and students and had different research results, so that a research gap was obtained in this study where the research to be carried out would be different from previous research focusing on entrepreneurial intentions of entrepreneurs in the city of Medan. Based on the shortcomings and differences from previous studies, the researcher is interested in

conducting research to examine the effect of self-efficacy and financial literacy variables on entrepreneurial intentions of entrepreneurs in the city of Medan.

According to Hartini et al. (2022:134), self-efficacy is a person's belief in his abilities and skills to do work and complete his tasks. Hartini et al. (Hartini et al., 2022) describes indicators of self-efficacy, namely level refers to the degree of difficulty of a task one believes that the individual is capable of completing it, generality refers to a variety of situations in which judgments about self-efficacy can be applied, and strength refers to on the strength of one's self-efficacy when dealing with various job demands or in dealing with a problem.

According to Arianti (2021:9), financial literacy is a person's ability to know finances in general, where this knowledge includes savings, investments, debt, insurance and other financial devices. Mulyati et al. (2021:30) describes indicators of financial literacy, namely knowledge of financial management, knowledge of financial planning, knowledge of expenses and income, basic knowledge of investment, financial knowledge in good health, and basic knowledge of insurance.

According to Sari et al. (2022:400-401), interest in entrepreneurship is the desire, interest, and willingness to work hard or be strong-willed to try optimally to fulfill their life needs without fear of the risks that will occur, and a strong will to learn from failure. Munir et al. (2019:564) describes indicators of entrepreneurial intentions, namely choices in becoming entrepreneurs, entrepreneurs as a professional goal of starting and running their own business, determination to create a company, always paying attention to something related to entrepreneurship, and interest in starting a business.

The research described in the provided text holds several implications in the field of science. Firstly, by focusing on the entrepreneurial intentions of entrepreneurs in the city of Medan, the study aims to contribute to the existing literature on entrepreneurship. This research seeks to fill a research gap by examining a specific geographical context and population, which has not been extensively studied before. By providing new empirical evidence and insights, the study can expand our understanding of the factors influencing entrepreneurial intentions in a specific region (Rahadi, 2020).

Furthermore, the research aims to address contradictory findings from previous studies regarding the effects of self-efficacy and financial literacy on entrepreneurial intentions. By conducting research specifically in the context of Medan, the study can provide a clearer understanding of the relationship between these variables and entrepreneurial intentions, potentially offering insights that can be applied to other regions or populations.

## 2. RESEARCH METHOD

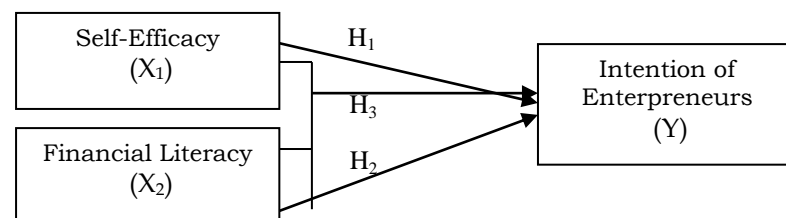


Figure 1. Research Conceptual Framework

Based on the results of the mapping of the conceptual framework above, the authors formulate a hypothesis as an answer to the steps that are contrary to this research activity, as a result: (a) H<sub>1</sub> : Self-efficacy affects the entrepreneurial intention of entrepreneurs in the city of Medan. (b) H<sub>2</sub> : Financial literacy affects the entrepreneurial intention of entrepreneurs in the city of Medan. (c) H<sub>3</sub> : Self-efficacy and financial literacy

simultaneously affect the entrepreneurial intentions of entrepreneurs in the city of Medan.

In this study the authors used a type of descriptive research method with a quantitative approach. The population in this study are all entrepreneurs in Indonesia whose exact number is not known. Because the population is unknown, the selection of entrepreneurs as samples in this study uses the Random Sampling method using the Cochran formula at a significance level of 5%. The following is the result of the calculation:

$$nn = \frac{z^2 pq}{e^2} \quad (1)$$

$$nn = \frac{(1,96)^2(0,5)(0,5)}{(0,05)^2} = \frac{(3,8416)(0,5)(0,5)}{0,0025} = \frac{0,9604}{0,0025} = 384,16$$

So the number of samples in this study was 384.16 rounded up to 384 people. Considering the data collection using questionnaires, to obtain valid and reliable research results, validity and reliability tests were carried out. Then the classical assumption test was carried out which included a normality test, multicollinearity test, autocorrelation test and heteroscedasticity test.

This study uses multiple linear regression analysis techniques, namely the analysis used to determine the magnitude of the influence of the independent variable on the dependent variable on the following basis:

$$Y = a + b_1X_1 + b_2X_2 + e \quad (2)$$

Where:

Y = Intention of Entrepreneurs

a = Constant

b = Regression coefficient

X1 = Self-Efficacy

X2 = Financial Literacy

e = Error coefficient

In addition, this research will also test the hypothesis. Hypothesis testing is intended to determine whether there is a significant effect between the independent variables on the dependent variable. The hypothesis testing in this study consisted of 3 tests, namely the Coefficient of Determination ( $R^2$ ), t statistical tests, and F statistical tests. The Coefficient of Determination ( $R^2$ ) was used to measure the correctness of the regression analysis model. The t-statistical test shows how far the influence of one explanatory variable or partially independent in explaining the variation of the dependent variable is and is used to determine whether or not there is an influence of each independent variable individually on the dependent variable tested at a significance level of 0.1. The F statistic test shows whether all independent or independent variables included in the model have a simultaneous effect on the dependent or dependent variable.

### 3. RESULTS AND DISCUSSIONS

#### 3.1 Data quality testing

The first stage is to test the quality of the data by testing the validity and reliability. Validity test is carried out to ensure that the questionnaire used to collect data is a valid questionnaire. Measuring validity in this study using Bivariate Pearson (Product Moment Pearson), namely the correlation technique, by calculating the correlation between the scores of each question item and the total score. Validity test can be said to be valid if it is significant  $< 0.05$  or 5% or  $r_{count} > r_{table}$ . The process of finding  $r_{table}$  values is carried out using the r product moment table, namely determining alpha ( $\alpha$ ) = 0.05

then  $n$  (sample) = 30 people. Degrees of freedom ( $df$ ) =  $n-2$  = 28 so that the  $r_{table}$  value is 0.361.

Table 1. Validity Test Results

Variabel	Item	Pearson Correlation Total ( $r_{hitung}$ )	Sig. (2-tailed)	Keterangan
Self-efficacy ( $X_1$ )	Q1	0.604	0.000	Valid
	Q2	0.828	0.000	Valid
	Q3	0.711	0.000	Valid
	Q4	0.736	0.000	Valid
	Q5	0.828	0.000	Valid
	Q6	0.689	0.000	Valid
Financial literacy ( $X_2$ )	Q7	0.625	0.000	Valid
	Q8	0.614	0.000	Valid
	Q9	0.603	0.000	Valid
	Q10	0.390	0.033	Valid
	Q11	0.523	0.003	Valid
	Q12	0.408	0.025	Valid
	Q13	0.753	0.000	Valid
	Q14	0.473	0.010	Valid
	Q15	0.776	0.000	Valid
	Q16	0.398	0.029	Valid
	Q17	0.692	0.000	Valid
	Q18	0.706	0.000	Valid
Enterpreneurship intention ( $X_3$ )	Q19	0.744	0.000	Valid
	Q20	0.862	0.000	Valid
	Q21	0.759	0.000	Valid
	Q22	0.705	0.000	Valid
	Q23	0.702	0.000	Valid
	Q24	0.817	0.000	Valid
	Q25	0.740	0.000	Valid
	Q26	0.523	0.003	Valid
	Q27	0.594	0.001	Valid
	Q28	0.523	0.003	Valid

Source: Data Processed With SPSS 25, 2023

Based on Table 1, it can be seen that all  $r_{count}$  values produced are positive and  $> r_{table}$ , namely  $> 0.361$  and the significance value of each question item is  $< 0.05$ , it can be concluded that all instruments of the variable application of the self-efficacy, financial literacy, and intention of entrepreneurs tested in this study are valid.

Next, is to do reliability testing to measure a questionnaire that has indicators of variables. The method used to view the data is reliable with Cronbach's Alpha method ( $\alpha$ ). Cronbach's Alpha coefficient used in this study is  $> 0.6$ . The following are the results of the reliability test which can be seen in Table 2.

Table 2. Reliability Test Results

No	Variable	Alpha Cronbach's	N of Items	Keterangan
1	Self-Efficacy ( $X_1$ )	0.826	6	Reliable
2	Financial Literacy ( $X_2$ )	0.808	12	Reliable
3	Intention of Entrepreneurs ( $Y$ )	0.877	10	Reliable

Source: Data Processed With SPSS 25, 2023

Based on Table 2, it can be seen that the three research variables have Cronbach's Alpha values greater than 0.60 so it can be said that the three variables in this study are reliable.

### 3.2 Classical assumption test

In this study, to show that the data is normally distributed, it is done using the Kolmogorov-Smirnov Monte-Carlo approach as shown in Table 3.

**Table 3. Normality Test Results**

One-Sample Kolmogorov-Smirnov Test			Unstandardized Residual
N			384
Normal Parameters <sup>a,b</sup>	Mean		0.0000000
	Std. Deviation		3.34470979
Most Extreme Differences	Absolute		0.067
	Positive		0.037
	Negative		-0.067
Test Statistic			0.067
Asymp. Sig. (2-tailed)			0.000 <sup>c</sup>
Monte Carlo Sig. (2-tailed)	Sig.		0.060 <sup>d</sup>
	99% Confidence Interval	Lower Bound	0.054
		Upper Bound	0.066

Source: Data Processed With SPSS 25, 2023

Table 3 shows a significant value obtained of  $0.060 > 0.05$ . Based on these values it is concluded that the data is normally distributed. Next, multicollinearity testing will be conducted to determine whether the regression model found a correlation between independent variables or independent variables. Multicollinearity test can be done by looking at the value of VIF (Variance Inflation Factor) and Tolerance.

**Table 4. Multicollinearity Test Results**

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
X1	0.574	1.743
X2	0.574	1.743

a. Dependent Variable: Y

Source: Data Processed With SPSS 25, 2023

Based on Table 4, it can be seen that the Tolerance value of the independent variable is 0.574 which is greater than 0.1, while the VIF value of the independent variable is 1.743 which is smaller than 10, so the data is declared free from multicollinearity. Furthermore, the autocorrelation test was carried out using the Durbin Watson test as shown in Table 5 below.

**Table 5. Autocorrelation Test Results**

Model	R	R Square	Durbin-Watson
1	0.727 <sup>a</sup>	0.529	1.953

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Based on Table 5 above, the Durbin Watson value is 1,953, the comparison uses a significance value of 5%, the number of samples is 384 (n), and the number of independent variables (k = 2), then in the Durbin Watson table we will get a du value of 1,837. Because the DW value of 1,953 is greater than the upper limit (du) 1,837 and less than 4 - 1,837 (2,163), it can be concluded that there is no autocorrelation.

The last classical assumption test is the heteroscedasticity test to determine whether or not there is a deviation from the classical assumption. In this study, the heteroscedasticity test was carried out using glejser as shown in Table 6.

Table 6. Heteroscedasticity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.791	1.249		4.638	0.000
	X1	-0.018	0.052	-0.022	-0.334	0.738
	X2	-0.051	0.030	-0.114	-1.704	0.089

a. Dependent Variable: Abs\_RES

Source: Data Processed With SPSS 25, 2022

Table 6 shows that all independent variables have a significance value of  $> 0.05$  so it can be concluded that there is no heteroscedasticity in the regression model.

### 3.3 Multiple linear regression analysis tests

The results of the multiple linear regression analysis test on two independent variables, namely self-efficacy and financial literacy on one dependent variable, namely intention of entrepreneurs which can be seen in Table 7 below.

Table 7. Multiple Linear Regression Analysis Test Results

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	-3.410	2.084	
	X1	-0.053	0.088	-0.028
	X2	0.803	0.050	0.745

a. Dependent Variable: Y

Source: Data Processed With SPSS 25, 2023

Based on Table 7, it can be seen the values:

$$\alpha = -3.410$$

$$\beta_1 = -0.053$$

$$\beta_2 = 0.803$$

So that the multiple linear regression equation in this study is:

$$y = -3.410 - 0.053 X_1 + 0.803 X_2 + e$$

Constant ( $\alpha$ ) = -3.410 indicates a constant value, if the value of the  $X_1$  variable is self-efficacy and the  $X_2$  variable, namely financial literacy, is 0 then the entrepreneurial intention of the entrepreneur is still at -3.410.

The coefficient  $X_1$  ( $b_1$ ) = -0.053 indicates that the self-efficacy variable ( $X_1$ ) has a negative effect on the entrepreneur's entrepreneurial intention of -0.053 meaning that for every increase in self-efficacy ( $X_1$ ) by one unit, then the entrepreneur's entrepreneurial intention will decrease by 0.053 assuming that the other variables remain constant .

The coefficient  $X_2$  ( $b_2$ ) = 0.803 indicates that the financial literacy variable ( $X_2$ ) has a positive effect on entrepreneurial intentions of entrepreneurs by 0.803 meaning that for every increase in financial literacy ( $X_2$ ) by one unit, then the entrepreneur's entrepreneurial intentions will increase by 0.803 assuming the other variables are constant.

### 3.4 Hypothesis test

The first hypothesis testing was carried out by testing a t-test to determine the significant effect of the dimensions of the independent variable partially on the dependent variable.

Table 8. t-test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.410	2.084		-1.636	0.103
	X1	-0.053	0.088	-0.028	-0.601	0.548

X2	0.803	0.050	0.745	16.043	0.000
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a. Dependent Variable: Y  
Source: Data Processed With SPSS 25, 2023

Table 8 shows that the ttable value for significance is 0.05 at degrees of freedom  $df = n - k$  where  $k$  is the total number of variables and  $n$  is the number of samples.  $df = 384 - 3 = 381$  is 1.966. The results of the partial test can be explained as follows:

H<sub>1</sub>: There is an influence of self-efficacy on entrepreneurial intentions, The results of partial hypothesis testing obtained  $t \text{ count} < t \text{ table}$  or  $-0.601 < 0.05$  and significantly obtained  $0.548 > 0.05$ , meaning that H<sub>1</sub> is rejected meaning that partially self-efficacy does not affect entrepreneurial intentions of entrepreneurs in Indonesia.

H<sub>2</sub>: There is an influence of financial literacy on entrepreneurial intentions, The results of partial hypothesis testing obtained  $t \text{ count} > t \text{ table}$  or  $16.043 > 0.05$  and significantly obtained  $0.000 < 0.05$ , meaning that H<sub>2</sub> is accepted meaning that partially financial literacy has a positive and significant effect on entrepreneurial intentions of entrepreneurs in Indonesia.

The last hypothesis testing is the F test which is carried out to test the significant effect of the dimensions of the independent variables simultaneously on the dependent variable.

Table 9. F Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	4804.837	2	2402.418	213.628	.000 <sup>b</sup>
	Residual	4284.653	381	11.246		
	Total	9089.490	383			

a. Dependent Variable: Y

b. Predictors: (Constant), X<sub>2</sub>, X<sub>1</sub>

Source: Data Processed With SPSS 25, 2023

H<sub>3</sub>: There is an influence of self-efficacy and financial literacy on entrepreneurial intentions, Table 9 shows that the value of Ftable at a significance level of 0.05 at  $df_1 = k - 1 = 3 - 1 = 2$  and  $df_2 = n - k = 384 - 3 = 381$  is 3.019. The results of simultaneous hypothesis testing obtained the value of Fcount ( $213.628$ )  $>$  Ftable ( $3.019$ ) with a significance level of  $0.000 < 0.05$ , then H<sub>3</sub> is accepted, namely self-efficacy and financial literacy simultaneously have a positive and significant effect on entrepreneurial intentions of entrepreneurs in Indonesia.

### 3.5 Coefficient of determination test

The coefficient of determination test denoted by  $R^2$  which was used to measure how much influence self-efficacy (X<sub>1</sub>) and financial literacy (X<sub>2</sub>) intention of entrepreneurs (Y).

Table 10. Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.727 <sup>a</sup>	0.529	0.526	3.35348

a. Predictors: (Constant), X<sub>2</sub>, X<sub>1</sub>

Source: Data Processed With SPSS 25, 2023

Table 10 shows the value of Adjusted R Square ( $R^2$ ) obtained at 0.526, meaning that the entrepreneurial intention variable can be explained by self-efficacy and financial literacy variables of 52.6% while the remaining 47.4% is influenced by other variables not examined in this study such as personal financial management, entrepreneurial knowledge, and so forth.

### 3.6 Discussion

#### a. The Effect of Self-Efficacy Against Entrepreneurial Intentions

The results of partial hypothesis testing obtained  $t_{\text{count}} < t_{\text{table}}$  or  $-0.601 < 0.05$  and significantly obtained  $0.548 > 0.05$ , meaning that the hypothesis is rejected meaning that partially self-efficacy does not affect entrepreneurial intentions of entrepreneurs in Indonesia. The results of this study are in line with research conducted by Supeni, et al. (Supeni et al., 2021), and Kumalasari, et al. (Kumalasari et al., 2022) which explains that there is no effect of self-efficacy on entrepreneurial intentions of entrepreneurs.

According to Kumalasari, et al. (Kumalasari et al., 2022), the subject's high self-efficacy will be accompanied by high entrepreneurial intentions and vice versa if the efficacy is low, the entrepreneurial intentions will be low. Entrepreneurs who have strong beliefs and positive views about their abilities play a major role in the business of entrepreneurship. The attitude and courage of the entrepreneur in him will influence his intention to do entrepreneurship. High self-efficacy is shown in the form of encouragement to engage in risk-taking behavior. In contrast to individuals with low self-efficacy, most of them do not have the courage and confidence so they avoid risky choices that lead to failure.

#### b. The Effect of Self-Efficacy and Financial Literacy Against Entrepreneurial Intentions

The results of partial hypothesis testing obtained  $t_{\text{count}} > t_{\text{table}}$  or  $16.043 > 0.05$  and significantly obtained  $0.000 < 0.05$ , meaning that the hypothesis is accepted meaning that partially financial literacy has a positive and significant effect on entrepreneurial intentions of entrepreneurs in Indonesia. The results of this study are in line with research conducted by Sari et al. (O. V. Sari et al., 2021) explaining that financial literacy affects entrepreneurs' entrepreneurial intentions.

According to Silviana and Megayanti (Silviana & Megayanti Windi, 2022), financial literacy is very important to be given to entrepreneurs who start their businesses. Good financial literacy can more easily help novice entrepreneurs to carry out their entrepreneurial activities. In the process of financial literacy will encourage novice entrepreneurs to make rational financial decisions, both for themselves and their business.

#### c. The Effect of Taxpayer Awareness and Tax Sanctions on Taxpayer Compliance at KPP Pratama Medan Timur

The results of simultaneous hypothesis testing obtained the value of  $F_{\text{count}}$  (213.628)  $> F_{\text{table}}$  (3.019) with a significance level of  $0.000 < 0.05$ , then H3 is accepted, namely self-efficacy and financial literacy have a positive and significant effect on entrepreneurial intentions of entrepreneurs in Indonesia. The results of this study are in line with research conducted by Sari et al. (O. V. Sari et al., 2021) explaining that financial literacy affects entrepreneurs' entrepreneurial intentions. The results of this study are in line with research conducted by Effrisanti and Wahono (Alshebami & Al Marri, 2022) which explains simultaneously that there is an effect of self-efficacy and financial literacy on entrepreneurial intentions.

Self-efficacy and literacy can be mutually reinforcing where a high level of self-efficacy can help individuals to seek and utilize the financial knowledge needed for entrepreneurship. Conversely, a good level of financial literacy can provide the practical support and knowledge needed to build self-confidence in facing challenges and managing business finances.

## 4. CONCLUSION

Based on the results and discussion of the research, the authors make the following conclusions self-efficacy has no effect on entrepreneurial intentions of entrepreneurs in Indonesia, financial literacy affects the entrepreneurial intentions of entrepreneurs in

Indonesia, and simultaneously self-efficacy and financial literacy affect the entrepreneurial intentions of entrepreneurs in Indonesia. Overall, the research contributes to the field of entrepreneurship by deepening our understanding of the factors influencing entrepreneurial intentions in Indonesia. The findings emphasize the significance of financial literacy and call for targeted interventions to enhance financial education and support for aspiring entrepreneurs. Additionally, the research highlights the need for further investigation into the intricate relationships between self-efficacy, financial literacy, and other relevant factors to foster a thriving entrepreneurial ecosystem in Indonesia. The research has limitations in terms of its focus on only one city and the exclusion of other influential factors. A larger and more diverse sample, along with a broader geographical scope, would enhance the generalizability of the findings. Additionally, considering additional variables and adopting longitudinal designs would provide a more comprehensive understanding of entrepreneurial intentions. Exploring interactions with other factors would contribute to a deeper understanding of the entrepreneurial ecosystem in Indonesia.

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