

Analysis of Entrepreneurial Knowledge Financial Literacy and Motivation for Students Entrepreneurial Intentions to Build a Startup Business

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Abstract

This research aims to identify the influence of entrepreneurial knowledge, financial literacy, and motivation on students' entrepreneurial intentions at the Faculty of Economics and Business, Bung Universitas Bung Hatta. By using a data collection method by distributing questionnaires directly. The objects of this research were students at the Faculty of Economics and Business, Bung Universitas Bung Hatta, with a total sample of 105 people consisting of students majoring in accounting, management and development economics, which were processed with the help of the SE/17 statistical analysis tool. Based on the research results, it is known that the entrepreneurial knowledge variable has a positive effect on entrepreneurial intentions and the financial literacy variable has a positive effect on entrepreneurial intentions, while the motivation variable has no effect on the entrepreneurial intentions of students at the Faculty of Economics and Business, Bung Universitas Bung Hatta.

Keywords : entrepreneurial intent, entrepreneurial knowledge, financial literacy, motivation

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Introduction

Young entrepreneurs have a very vital role in economic development, especially in creating jobs and supporting government initiatives related to the creative economy. [In West Sumatra, the provincial government has launched various programs to support young entrepreneurs.](#) The program includes training, access to licensing, and capital assistance aimed at increasing the capacity and sustainability of businesses in the area. One of the important initiatives is the Entrepreneur program managed by the Ministry of Cooperatives and Small and Medium Enterprises (KemenKopUKM). This program aims to expand the reach of support for young entrepreneurs in Padang, West Sumatra, which is integrated into the West Sumatra Youthpreneur Program. [Siti Azizah](#), Deputy for Entrepreneurship at the Ministry of Cooperatives and SMEs, emphasized that the development of national entrepreneurship, as stipulated in Presidential Regulation No. 2 of 2022, requires the active involvement of all relevant parties, not just the government. This involvement is considered the key to success in achieving the broader goals of the entrepreneurship program. Thus, collaboration between the government and young entrepreneurs is essential to encourage sustainable economic growth and create job opportunities in West Sumatra. In the [2024 Freedom of Learning Guidebook](#), it is stated that based on the Global Entrepreneurship Index (GEI) in 2022, Indonesia is ranked 75th out of 137 countries. There was a fairly good increase in achievements from the 2018 data, namely the Ministry of Cooperatives and SMEs, emphasized that the

development of national entrepreneurship, as stipulated in Presidential Regulation No. 2 of 2022, requires the active involvement of all relevant parties, not just the government. This involvement is considered the key to success in achieving the broader goals of the entrepreneurship program. Thus, collaboration between the government and young entrepreneurs is essential to encourage sustainable economic growth and create job opportunities in West Sumatra.

In the [2024 Freedom of Learning Guidebook](#), it is stated that based on the Global Entrepreneurship Index (GEI) in 2022, Indonesia is ranked 75th out of 137 countries. There was a fairly good increase in achievements from the 2018 data, namely the achievement rate of 21% of entrepreneurs or ranked 94th out of 137 countries, and data from the IDN Research Institute in 2019, 69.1% of millennials in Indonesia have an interest in entrepreneurship. This increase achievement is certainly very encouraged by the implementation of MBKM. The Independent Campus policy encourages the development of student entrepreneurial interests with appropriate learning activity programs. Meanwhile, in the [2024 Indonesian Student Entrepreneurship Program Guidebook](#), Mr. Abdul Haris said that in this era of globalization and digitalization, entrepreneurship is very important, as stated in the 2020-2024 National Medium-Term Development Plan (RPJMN), the target for achieving the entrepreneurship ratio is 3.9% while the entrepreneurial growth target is 4% per 2024. Therefore, there is a demand to create superior, intelligent, competitive, creative and adaptive human resources. Therefore, universities must transform learning by equipping graduates with knowledge, skills and attitudes relevant to real challenges, especially in the industrial business world (DUDI).

Bung Universitas Bung Hatta is one of the best private universities in the LLDIKTI X area which was established on April 20, 1981. The vision of Universitas Bung Hatta is "Becoming a Superior and Dignified University towards a world-class university". The university's mission is to carry out quality education and research in a democratic climate by upholding academic freedom and applying science, technology, art and culture to improve the welfare of mankind. And produce graduates of associate experts, bachelors and masters who are committed to creating competent graduates in all fields. Entrepreneurship is a compulsory course for all Study Programs at Universitas Bung Hatta, which is expected by Universitas Bung Hatta to be able to compete, produce the best graduates by fortifying themselves with hard skills and soft skills so that they do not only rely on jobs from others but are able to provide jobs for many people and are able to compete with workers from other countries. The entrepreneurship course that has been taught is expected to be one of the ways to introduce the business world from an early age to students. Entrepreneurship at Bung Universitas Bung Hatta has used RPS that includes Practice and produces entrepreneurial products in teaching Entrepreneurship courses, and in 2014 there were 10 student groups that won the Entrepreneurial Student Program (PMW) at Universitas Bung Hatta. Businesses financed by DIKTI through PMW are individual and group businesses, of all the proposals that entered, the number of proposals that passed was 10 proposals consisting of: 1 person and 9 groups (Husna & Trianita, n.d. 2015).

In 2021 we hosted the Entrepreneur Award V Competition Event, and there were also 6 student business groups entering the Final and Becoming the Champion of Hope. In 2022, there are 12 business groups of Universitas Bung Hatta students who have managed to get Scholarship grants in the form of business capital of 10,000,000 each, - then there are also 3 business groups that receive higher education grants of 7,500,000 each. The success of this achievement is also because the University through the Career Development Center (CDC) has conducted entrepreneurship training in 2021, this training activity was held on October 25, 2021 at the Caraka Hall Building, Universitas Bung

Hatta. The training participants are all Universitas Bung Hatta students, the participants who will take part in this training are 210 participants. In 2022 CDC has also held Online Single Submission / OSS Training and currently the Student Business is running and already has a Business License as many as 19 Business groups. At Universitas Bung Hatta, there has also been research, namely research conducted by Husna, et al. (2015) about the influence of personality and entrepreneurship courses on entrepreneurial intention in students receiving PMW funds at the Faculty of Economics, Universitas Bung Hatta, The results of the study stated that entrepreneurship courses had a great influence on the entrepreneurial intention of PMW fund recipients, so that at that time RPS was designed by producing products, Business plan and activity video. And it is recommended to participate in programs organized by Higher Education or Kopertis.

However, after that, several times FEB students participated in higher education programs such as PKM-K, they did not pass the selection and students did not continue their business. And continued by the research of Putri and Husna (2016) on the analysis of factors that affect the intention of students of the Faculty of Economics, Universitas Bung Hatta to be entrepreneurial, stating that personality factors affect entrepreneurial intention. However, there are obstacles that are often faced by students in starting a business, such as the source of funds, the ability to divide time between entrepreneurship and college, support from family, the courage to take risks because the risks faced as entrepreneurs are different from the risks of being an employee. Therefore, Husna, N., Fauziati, P., Rahmi, S., (2020) continued this study which aims to see the influence of adversity quotient on the entrepreneurial intention of FEB students of Universitas Bung Hatta whose results, then it can be concluded that the Endurance variable greatly affects the entrepreneurial intention of students of the Faculty of Economics and Business, Universitas Bung Hatta. This means that the more effective the learning supported by Entrepreneurship Training, discussion and going into the field, the more positive the entrepreneurial intention of students in competing to win entrepreneurial programs.

Bung Universitas Bung Hatta has formed an Entrepreneurship UKM, established the University Business Incubator, added entrepreneurship courses complete with practice and also collaborated with Bank Permata to implement the Entrepreneurship Award program to support students' interests and talents in entrepreneurship. At the Faculty of Economics and Business, several public lectures were also held in the field of entrepreneurship and financial literacy, the goal is to equip students who want to start a business. However, in 2023 and 2024 of the Faculty of Economics and Business (FEB), none of its students won participating in competitions in the field of entrepreneurship. In 2024, no proposal from FEB will qualify for the National Competition, as well as other competitions. It can be seen that the lack of motivation, literacy and knowledge obtained by students at Universitas Bung Hatta makes the least interest of students to want to be entrepreneurial. Therefore, this study uses a quantitative approach with a survey method through a questionnaire distributed to students who have studied entrepreneurship at FEB majoring in Management, Accounting, and Development Economics. The data were analyzed using multiple linear regression. Therefore, this study analyzes entrepreneurial knowledge, financial literacy and motivation for students' entrepreneurial intentions to build a startup business, Faculty of Economics and Business, Universitas Bung Hatta.

Literature Review

Entrepreneurial Knowledge Definition: Knowledge related to the entrepreneurial process, including an understanding of business management, marketing, innovation, and product development (Morris et

al., 2006). Relevant theory: Entrepreneurship Theory explains how knowledge and experience influence entrepreneurial behavior (Shane & Venkataraman, 2000). Financial Literacy Definition: An individual's ability to understand and use a variety of financial information to make informed decisions (Lusardi & Mitchell, 2014). Relevant theory: Financial Literacy Theory emphasizes the importance of understanding finance in business decision-making (Lusardi & Tufano, 2009). Motivation: Factors that motivate individuals to take action, in this case, to start and grow a business (Ryan & Deci, 2000). Relevant theory: Motivation Theory explains various factors that affect individual motivation, such as needs, goals, and expectations (Maslow, 1943). Entrepreneurial Intentions Definition: An individual's desire or intention to start a new business (Bird, 1988). Relevant theory: Entrepreneurial Intentions Theory explains how attitudes, subjective norms, and behavioral control can influence entrepreneurial intentions (Ajzen, 1991).

Methods

Using a cross sectional research design which is a research process with one observation and seeing the influence of three independent variables, namely Entrepreneurial Knowledge Analysis, Financial Literacy and Motivation on Student Entrepreneurial Intention to Build a Startup Business, Faculty of Economics and Business, Universitas Bung Hatta. This research is also classified as a rational quantitative research with the student object of Universitas Bung Hatta, and a sample of 105 respondents. The sampling technique uses proportional sampling. In data collection, the researcher used a questionnaire with a five-point scale, while for testing each instrument, the data was processed using Stata/SE 17 with a validity test using a two-stage construct, reliability test, descriptive analysis, and multiple linear regression test.

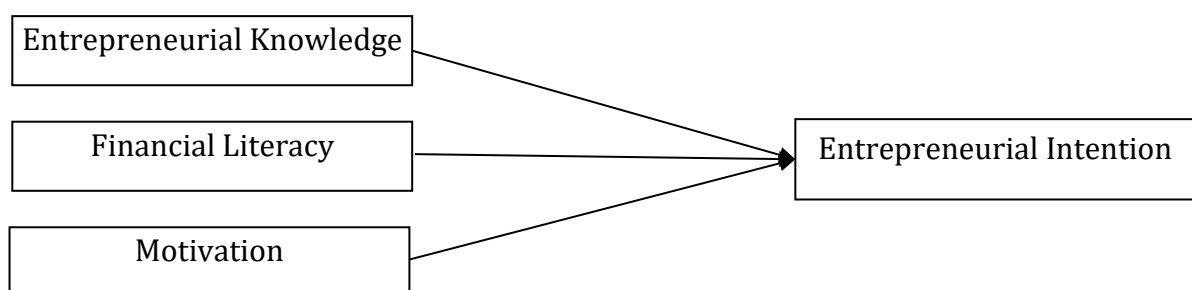


Figure 1. Theoretical Framework

Results and Discussion

Research Results

In this chapter, we will explain the *response rate*, respondent demographics, and instrument tests, namely construct validity tests, reliability tests, descriptive analysis tests, and hypothesis tests.

Respon Rate

This study aims to empirically prove the influence of entrepreneurial knowledge analysis, financial literacy and motivation on the entrepreneurial intention of students to build a startup business, Faculty of Economics and Business, Universitas Bung Hatta. The researcher obtained data from the distribution of questionnaires directly to several students majoring in Management, Accounting, and Development Economics. The following is the data on the questionnaire distribution process in table 1.

Table 1. Respon rate

Information	Sum	Propose
Distributed questionnaires	105	100%
Processed questionnaires	105	100%

Based on table 1, it can be seen that all of the questionnaires distributed can be processed with a total of 105 questionnaires.

Respondent Demographics

The next step is the data processing process using the Stata/SE 17 application. The following is the demographic data of the respondents:

Table 2. Respondent Demographics Description

Demography		N	%
Gender	Woman	70	66,67
	Man	35	33,33
Age	17-25 Th	105	100,00
Prodi	Accountancy	18	17,14
	Management	75	71,43
	Development		
	Economics	12	11,43
Ethnic group	One of the gowns	6	5.71
	Jambi	1	0,95
	Javanese	7	6,67
	Kerinci	1	0,95
	Mandailing	2	1,90
	melayu	11	!0,87
	Minang	73	69,52
	Nias	2	1,90
	Pekal	1	0,95
	Sundanese	1	0,95

Source: Primary data processed, 2024

In table 2, it can be seen that the characteristics of the respondents are dominated by 70 male employees, based on demographic data, it can also be seen that most of the questionnaires were filled out by 75 students majoring in management with 73 ethnic Minang.

Testing of Research Instruments

Validity Test Results of Constructs

The construct validity test is used to determine whether a question item is valid or not. According to Dachlan in Dharma (2022), the validity of the construct is a measure that can ensure that the measurement items represent the hypothesis construct reflected through a number of elements or question items in reality. This validity test was carried out using Confirmatory Factor *Analysis* (AFK/CFA). Then you can see a summary of the results in the table below:

Table 3. Validity and reliability test results

Instruments	Number of Valid Items	Range of Loading Factors	CR
Entrepreneurial Knowledge	6	0,51 – 0,72	0,79
Financial Literacy	5	0,62 – 0,78	0,81
Motivation	11	0,55 – 0,74	0,82
Entrepreneurial Intention	7	0,55 – 0,74	0,90

Source: Primary data processed, 2024

Based on the results of the construct validity test on the entrepreneurial knowledge variable, it was found that there were 6 valid items with a loading factor range of 0.51 – 0.72. And for the financial literacy variable instrument, 5 valid items were found with a loading factor range of 0.62 – 0.78. As for the motivation variables, it was found that there were 11 valid items with a loading factor range between 0.55 – 0.74. And for the results of testing the last variable, namely the variable y entrepreneurial intent, it was found that there were 7 valid items with a loading factor range of 0.55 – 0.74.

Hypothesis Testing

To empirically prove the influence of entrepreneurial knowledge, financial literacy and motivation on entrepreneurial intentions, students build a startup business, Faculty of Economics and Business, Universitas Bung Hatta. Therefore, a multiple linear regression analysis test was carried out as seen in the summary of the results below:

Table 4. Hypothesis Test Results

Variable	Coef.	Sig	Alpha	Conclusion
Entrepreneurial Knowledge	0,40	0,001	0,05	H1 Accepted
Financial Literacy	0,45	0,000	0,05	H2 Accepted
Motivation	0,10	0,153	0,05	H3 Rejected

Note: Adj R-Square 0.51

From table 4, it can be seen that Entrepreneurial Knowledge has a positive regression coefficient of 0.40 with a significance value of 0.001 which shows that the significance value in the variable Entrepreneurial Knowledge is small from the alpha value of 0.05. This shows enough evidence to conclude that Entrepreneurial Knowledge has a positive influence on entrepreneurial intention, so the first hypothesis (H1) is accepted. The results of this study are supported by research.

The results of the summary of the statistical test also show that the Financial Literacy variable has a positive regression cooresponsibility of 0.45 with a significance value of 0.000 which shows that the significance value of the Financial Literacy variable is small from the alpha value of 0.05. This shows enough evidence to conclude that financial literacy has a positive influence on entrepreneurial intention, so the second hypothesis (H2) is accepted. The results of this study are supported by research.

As for the third variable, namely the motivation variable, that the motivation variable has a positive regression coefficient of 0.10 with a significance value of 0.153. This shows that there is not enough evidence to conclude that motivation variables have a positive effect on students' entrepreneurial intentions, so the third hypothesis (H3) is rejected.

Discussion

The influence of entrepreneurial knowledge on entrepreneurial intention. After hypothesis testing was carried out, it was found that the variable of entrepreneurial knowledge had a positive influence on the entrepreneurial intention of students of the Faculty of Economics and Business, Universitas Bung Hatta. This finding can be interpreted that the higher the student's knowledge about the importance of starting a business from an early age, the higher the student's entrepreneurial intention, the higher it will be. To develop entrepreneurial knowledge, it can be obtained from courses related to entrepreneurship, self-taught learning from the internet or learning directly from people who have entered the world of entrepreneurship. As has been applied by the management department to students. In the lecture, theories about entrepreneurship are given and developed by making proposals about entrepreneurship. The knowledge gained from the Entrepreneurship course is expected to be able to increase students' insight to think creatively and innovatively, be more confident, be able to choose and make the right decisions and be able to see the business opportunities that exist today. The results of this study are in line with research by Sanchaya Hendrawan & Sirine (2017) which revealed that entrepreneurial knowledge has an effect on the entrepreneurial interest of FEB UKSW Entrepreneurship Concentration students and Irda research (2019) which revealed that entrepreneurial knowledge has an effect on the entrepreneurial interest of SMK Negeri 1 Makassar students.

The influence of financial literacy on entrepreneurial intention. After the second hypothesis test was carried out, it was found that the Financial Literacy variable had a positive influence on the entrepreneurial intention of students of the Faculty of Economics and Business, Universitas Bung Hatta. This finding can be interpreted that the higher the literacy of a student in understanding his finances, the higher the student's entrepreneurial intention. In general, students with good financial literacy will have a positive impact on students' interest in starting to build an entrepreneurial spirit. The existence of high financial literacy will prevent students from the possibility of losses and business failures due to ineffective fund management and this can minimize the risks that will be experienced by students. Based on the discussion and theory that has been described above, it can be concluded that financial literacy has a positive effect on entrepreneurial intention. The results of this study are in line with research by Viana Sari (2021) which shows that financial literacy has an effect on the interest of STKIP YPM Bangko students in 2018/2019. The research Wardani & Woli (2021) also mentioned the same thing that financial literacy affects people's interest in entrepreneurship in Yogyakarta City.

The influence of motivation on entrepreneurial intention. After hypothesis testing was carried out, it was found that the motivation variable had no influence on the entrepreneurial intention of students of the Faculty of Economics and Business, Universitas Bung Hatta. This is because students feel that their motivation is enough to start a business but their fear of the risks that lie ahead makes them reluctant to start a business. Motivation is the foundation or encouragement for students in starting a business. However, motivation alone is not enough to increase students' desire to be entrepreneurial, this is because students are still afraid of the great risks that they will face when starting a business such as many competitors, business ideas that are difficult to find so they think that it will be difficult to achieve success in starting a business.

Conclusions

Based on the results of the research that has been presented previously, the conclusions can be described as follows entrepreneurial knowledge has a positive effect on the entrepreneurial intention of students of the Faculty of Economics and Business, Bung Universitas Bung Hatta. Financial literacy has a positive effect on the entrepreneurial intention of students of the Faculty of Economics and Business, Bung Universitas Bung Hatta. Motivation has no effect on the entrepreneurial intention of students of the Faculty of Economics and Business, Bung Universitas Bung Hatta

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