FACTORS AFFECTING ENTREPRENEURIAL READINESS AS AN EFFORT TO REDUCE THE UNEMPLOYMENT RATE (SYSTEMATIC LITERATURE REVIEW)

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**Abstrak:** The purpose of this study is to analyze the factors that influence entrepreneurial readiness as an effort to reduce the unemployment rate. The problem faced is the low intention and readiness of the younger generation to engage in entrepreneurial activity, which is influenced by individual attitudes. The research method used is a systematic analysis of literature to identify key findings related to entrepreneurial readiness, attitudes, mindset, and entrepreneurial interest. The results showed that personal, social, and economic factors influence individual interest in entrepreneurship. Collaboration between educational institutions and industry is considered important in shaping young people's entrepreneurial readiness. This study provides insights into the complexity of factors influencing entrepreneurial readiness and their relevance in facing the challenges of the global economy.

**Keyword:** Entrepreneurial Readiness, Entrepreneurial Attitude, Entrepreneurial Mindset, and Entrepreneurial Interest

**INTRODUCTION**

The progress and development of a country can be seen through the growth of entrepreneurship, which is one of the factors of rapid development in a nation (Bayo & Emmanuel, 2020). The development of entrepreneurship is a concern from all over the world as one of the factors that affect the improvement of the country's economy and the creation of new jobs. However, the fact that currently occurs is the low intention and readiness of young people to become entrepreneurs, which is influenced by the attitude of each individual (Nguyen et al., 2019; Mahfud et al., 2020) so that it becomes a serious thought for all parties (Dora, 2019).
In addition, the mindset of today's young people who still tend to choose to become permanent employees or civil servants (PNS) rather than becoming an entrepreneur because entrepreneurship has a greater risk (Hendrayanti & Fauziyanti, 2021). This prevents a country from gaining employment expansion through entrepreneurship so that the unemployment rate is still quite high. Indonesia has the fourth largest population in the world, with the majority of generations in its demographic (Amalia & Von Korflesch). In addition, this is another cause of unemployment, namely that many school graduates and college graduates still do not have readiness for entrepreneurship, this has been explained in previous studies (Hendrayanti & Fauziyanti, 2021; Gupron, Yandi & Maharani, 2023).

Meanwhile, according to the Central Bureau of Statistics (2023), Indonesia itself has an Open Unemployment Rate (TPT) of 5.32% with a total workforce in 2023 of 147 million people, an increase of 3.99 million people compared to August 2022, meaning that the number of graduates produced by various educational institutions each year is not in line with the number of jobs created (Global Youth Employment Trends, 2020).

Therefore, entrepreneurship has always been a priority concern for many countries, especially in developing countries, one of which is Indonesia, because of its many benefits for the nation, including being able to open up jobs (Kadarusma, 2020). Individual and group entrepreneurs as innovators can open up new business opportunities, the relationship between entrepreneurship and employment is always related to the growth of entrepreneurship in many strategic places will also open up new business opportunities (Bhegawati et al., 2022) The Secretariat General of the MPR RI (2023) said that there is various support and encouragement from the Indonesian government through policies and programs provided through the widest possible opportunity for the younger generation, namely the micro, small and medium enterprises (MSMEs) sector.

According to Filion (2021) entrepreneurs are imaginative people, characterized by their ability to set goals and achieve these goals. Meanwhile, according to Rehan et al. (2021), the readiness of young people depends on their ability to find various environmental opportunities, utilize functional abilities or entrepreneurial capacity, especially based on available means and other personality traits such as the need for achievement.

In this study, the authors will try to find out and analyze the factors that influence the entrepreneurial readiness of the current generation of young people through the perspective of entrepreneurial mindset, entrepreneurial attitude, and entrepreneurial interest. Because by having readiness and intention in entrepreneurship, someone will continue to be eager to innovate and make new things to open up jobs.

![Figure 1: Entrepreneurial Readiness Factors](image-url)
Through the background description above, it can be concluded that the problem formulations in this research study are.
1. Does entrepreneurial mindset have an influence on entrepreneurial readiness?
2. Does entrepreneurial attitude have an influence on entrepreneurial readiness?
3. Does entrepreneurial interest have an influence on entrepreneurial readiness?

A person's readiness is a trait and individual strength that develops and allows people to be able to adjust to their environment and be able to solve the problems they face (Gupron et al., 2023). According to Kallas & Parts (2020) entrepreneurial readiness shows the motivation of prospective entrepreneurs in starting a business, what attitudes an entrepreneur must have and what competencies can support start-up or MSME activities. Meanwhile, according to Kumar et al., (2021) entrepreneurial readiness represents individual perceptions, attitudes, and beliefs towards entrepreneurship. In addition, entrepreneurs, according to Wagle & Adhikari (2021), are engines of economic growth, an entrepreneur will contribute to the development and progress of the economy and social development in a country in various ways, Individual readiness for entrepreneurship is highly dependent on three main factors which include 1) command of business ideas, 2) support, and 3) encouragement to start new ventures and sources of financing for businesses. Meanwhile, according to Slameto (2015) there are several factors that can influence the emergence of a readiness, including (1) conditions that can affect a person such as physical condition, mental condition, and emotional condition; (2) The existence of needs, motives and goals to be achieved; (3) The existence of skills and knowledge acquired by the entrepreneur.

According to Merriem Webster, mindset is "mental attitude or inclination." Mindset is a mindset, mental attitude, tendency, habit and disposition that informs individuals to interpret and react to external conditions, environments and situations. Mindset is a person's mental position or view that influences the person's approach in dealing with a phenomenon (Putu eka yudi prastiwi, ningsih, & Suardika, 2019).

Entrepreneurial mindset is often referred to by successful entrepreneurs as a catalyst for success in building a business. In fact, this way of thinking and thinking has a big impact on one's success in any kind of work. An entrepreneurial mindset involves several factors that influence how one views the business world, including values, life experiences, education and socio-economic environment. A good mindset will inspire a person to do things to the best of their ability, while a bad attitude can make it difficult to face challenges.

This attitude is also very important for business people in the entrepreneurial world, because entrepreneurship requires innovation, job creation, economic improvement, and providing solutions to various social and environmental challenges. In this time of opportunities and challenges, an entrepreneurial spirit is essential for those who want to build their own business, as well as for anyone who wants to grow and achieve success in life. An entrepreneurial mindset is the fundamental foundation for anyone who wants to go down the entrepreneurial path.

This mindset is not only about having creative ideas, but also having the right mentality to seize opportunities and overcome obstacles. Some of the main characteristics of the mindset are: (1) Dare to take risks, an entrepreneur is not afraid to step out of their comfort zone and take measured risks. They understand that failure is part of the learning process and becomes an opportunity to grow. (2) Solution-oriented, an entrepreneur is always looking for solutions to existing problems. They do not give up easily and always look for creative ways to overcome obstacles. (3) Never give up, an entrepreneur has a strong determination and does not give up
An entrepreneur must be persistent in pursuing goals and must learn from mistakes. Having a clear vision, entrepreneurs have a clear vision of what they want to achieve, and have purposeful goals and have the right strategy to make it happen. Being a leader, entrepreneurs are able to lead and inspire others. An entrepreneur can build a solid team and work together to achieve common goals.

An entrepreneurial mindset can be learned and developed by everyone. Here are some tips for developing an entrepreneurial mindset: (1) Learn from the success stories of other entrepreneurs, (2) Attend entrepreneurship training and seminars, (3) Join an entrepreneurial community, (4) Practice taking risks, (5) Keep learning and growing. An entrepreneurial mindset is key to achieving success in this world of opportunities and challenges. By developing the right mindset, it can open up various opportunities and realize the dream of becoming a successful entrepreneur.

Attitude has been proven to be an important factor that must be considered in building an entrepreneur, because attitude has a significant relationship with the emergence of entrepreneurial intention (Wagle & Adhikari, 2021) in individuals as the beginning of readiness. Entrepreneurial knowledge and attitudes among millennials play an important role in determining the status of future entrepreneurial activities. Attitude towards a behavior refers to "the extent to which a person has favorable feelings or unfavorable evaluations or judgments of the behavior in question (Ajzen, 1991). In the context of entrepreneurship, attitude towards entrepreneurship has been defined as 'the difference between the perceived personal desire to be self-employed and organizational employed' (Vamvaka et al., 2020).

According to Amofa & Saladrigues (2022), entrepreneurial attitudes can be influenced by relevant stakeholders in academia. According to Mahfud et al. (2020), attitude has an important role in creating intentions which will be a determinant factor in shaping behavior, so that entrepreneurial readiness will emerge with a good and appropriate entrepreneurial attitude. Meanwhile, entrepreneurial attitude orientation consists of personal characteristics such as innovation, risk taking, need for achievement, self-confidence and locus of control (Robinson et al., 1991). This orientation has a direct and indirect influence on students' intention to have readiness to start a new business.

Everything that attracts attention is considered interesting to the individual who is enthusiastic about seeing or getting it. Interest reveals a person's desires, activities, and interests, when someone is interested in something, everything they do will be directed at that interest. A prospective entrepreneur must have a high interest in entrepreneurial readiness. Because interest is one of the driving factors for someone to work harder, so that they are able to see and capture every opportunity that exists by optimizing their competencies (Dora, 2019).

Entrepreneurial interest cannot arise directly, but interest will arise through the results of experience, habit patterns, mindsets, contributions to learning and the work process. In addition, according to Rochani & Suharsono (2023), entrepreneurial interest will encourage entrepreneurial readiness in individuals, where individuals will have the ability and desire to face and challenges when entrepreneurship. Meanwhile, according to (Widarsono, 2020), entrepreneurial interest is a person's tendency to pursue business opportunities, plan and start new businesses, and develop these businesses in innovative and creative ways. In particular, discussions related to entrepreneurial intentions are increasingly attracting the attention of the main drivers in predicting
individual behavior in creating opportunities and preparing for new ventures (Kautonen et al., 2020).

**METHOD**

The research method in this study uses the Systematic Literature Review (SLR) type of research, namely by collecting literature reviews or library research using publish or perish with a year filter, namely the last five years from 2019 to 2024 and also scopus indexed journals besides other literature is taken directly from elsavier, emerald, taylor & french with the provisions of the last five years. In this journal, there are 3 stages that must be carried out in preparing research using the SLR method:

1. Developing a problem formulation (Research Question)
   - The formulation of the problem in this study is used to determine the purpose of the preparation of the study, namely to ascertain the effect of entrepreneurial attitudes, mindset, and interest in entrepreneurship which is a factor in the growth of entrepreneurial readiness in individuals.

2. Searching for sources or literature that are in accordance with the discussion or topic raised
   - The search for journal articles is carried out in order to obtain data through relevant sources to answer the formulation of existing problems, namely by collecting several articles to be analyzed and reviewed that come from scopus by using keyword search articles in writing this research, namely entrepreneurial readiness, entrepreneurial attitudes, entrepreneurial mindset and entrepreneurial interest.

<table>
<thead>
<tr>
<th>Database</th>
<th>Keywords</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“Entrepreneurship Readiness Factors”</td>
</tr>
<tr>
<td>Emerald</td>
<td>(&quot;Entrepreneurship Readiness” AND “Entrepreneurship Mindset” AND “Entrepreneurship Behavior” AND “Entrepreneurship Intention&quot;)</td>
</tr>
</tbody>
</table>

This section presents the results of the literature review obtained through the analysis process by filtering data according to the criteria needed in the topic of discussion. The initial search stage only uses keywords, the second stage filters according to the provisions, namely journals with the last 5 years of publication, which means starting from 2019, after that it is filtered again only taking journals that have open access, research articles and other filters. The following is an overview of the data filtering that has been collected.
RESULT AND DISCUSSION

The results of the review of selected articles answer the formulation of the problem regarding the distribution of journals that discuss entrepreneurial readiness, entrepreneurial attitudes, entrepreneurial mindset, and entrepreneurial interest, as follows:

Table 2. Distribution of Journals on Entrepreneurial Readiness, Entrepreneurial Attitude, Entrepreneurial Mindset, and Entrepreneurial Interest.

<table>
<thead>
<tr>
<th>No</th>
<th>Nama Jurnal</th>
<th>Link Jurnal</th>
<th>Indeksasi</th>
<th>Jumlah</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>The Journal of Business Education</td>
<td>The Journal of Business Education</td>
<td>Taylor &amp; Francis Online</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Education + Training</td>
<td>Education + Training</td>
<td>Emerald Insight</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Journal of Business Venturing</td>
<td>Journal of Business Venturing</td>
<td>ScienceDirect</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: processed by researchers, 2024

Based on the results of the table, there are journals that discuss entrepreneurial readiness, entrepreneurial attitude, entrepreneurial mindset, and entrepreneurial interest. Among these journals, some of them are relevant references in the context of current trends in business and management education. For example, the journal "The Journal of Business Education" was taken as a reference for 4 journals. This shows that the journal has a significant contribution to the understanding of business and management education. In addition, the journal "Education + Training" was taken as a reference for 5 journals, showing the importance of education and training aspects in the context of entrepreneurship.

In discussing the references, it was found that the current trend in business and management education shows a shift towards a more practical and integrated approach with the real world.
Curricula are increasingly integrating technology, data analysis and digital skills as an important part of learning. Collaboration between educational institutions and industry is getting closer, with an emphasis on developing soft skills and creativity. The aim of this approach is to produce graduates who are ready to work in a dynamic business environment and face complex challenges (Abbasianchavari & Moritz, 2021; Ainur Rizqi et al., 2022; Hsiung, 2018; Jena, 2020).

Meanwhile, the journals "Journal of Assian Business and Economics Studies" were taken as many as 2 journals and "Journal of Business Venturing" were taken as many as 3 journals. These journals discuss innovation in the development of business and management education. In this context, innovation is key in facing the challenges and opportunities that continue to grow in the digital era. Innovative curricula integrate the latest technologies such as data analytics, artificial intelligence, and online learning platforms to create learning experiences that are more interactive and relevant to today's business world. Collaboration with industry is also an important factor in producing graduates who are ready to adapt quickly in a dynamic work environment (Appio et al., 2021; Lemaire, 2021; Maroufkhani et al., 2018; Prayitno et al., 2020). In addition, innovation is also reflected in the development of soft skills, emphasis on creativity, and out-of-the-box thinking to form business leaders who are adaptive and responsive to change.

<table>
<thead>
<tr>
<th>No</th>
<th>Years</th>
<th>Author(s)</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2021</td>
<td>Abbasianchavari &amp; Moritz,</td>
<td>Studies show that students who participate in entrepreneurship development programs have a higher level of readiness in starting their own business, driven by a proactive mindset towards business challenges.</td>
</tr>
<tr>
<td>2</td>
<td>2021</td>
<td>Appio et al.,</td>
<td>Research shows that a family environment that supports and promotes entrepreneurial values has a significant positive correlation with one's entrepreneurial interest.</td>
</tr>
<tr>
<td>3</td>
<td>2021</td>
<td>Lemaire, et al</td>
<td>Findings suggest that employees who have a proactive attitude towards change and the ability to identify opportunities have a higher propensity to engage in entrepreneurial initiatives in the workplace.</td>
</tr>
<tr>
<td>4</td>
<td>2022</td>
<td>Ainur Rizqi et al.,</td>
<td>In-depth research highlights the important role of self-efficacy, locus of control, and resilience in shaping a mindset that supports entrepreneurship and overcoming barriers.</td>
</tr>
<tr>
<td>5</td>
<td>2019</td>
<td>Hsiung, et al</td>
<td>Analysis shows that comprehensive entrepreneurship education not only enhances practical knowledge, but also shapes positive attitudes and improves individuals' readiness to face business challenges.</td>
</tr>
<tr>
<td>6</td>
<td>2020</td>
<td>Jena, et al</td>
<td>Longitudinal research highlights the critical role of mentors in guiding individuals in developing a proactive attitude and mindset that is adaptive to market dynamics.</td>
</tr>
<tr>
<td>7</td>
<td>2021</td>
<td>Anjum, T., et al</td>
<td>Studies show that individuals with an entrepreneurial mindset that is inclusive and open to new ideas tend to be more innovative in the context of business and value creation.</td>
</tr>
</tbody>
</table>
Entrepreneurship has become the focus of increasing attention amidst the current global economic dynamics. In an effort to understand and encourage entrepreneurial activity, research on psychological aspects such as readiness, attitude, mindset, and individual interest in entrepreneurship is important. Through a systematic analysis of the literature, this article aims to outline the key findings relating to each of these aspects. Entrepreneurial readiness can be understood as a combination of internal and external factors that influence a person's ability and willingness to engage in entrepreneurial activity. Internal factors, such as knowledge, skills and attitude towards risk, have been found to have a positive correlation with one's level of entrepreneurial readiness. On the other hand, external factors such as education, access to resources and social support also contribute to shaping entrepreneurial readiness.

Entrepreneurial attitudes reflect an individual's mental and emotional orientation towards entrepreneurial activity. Based on a review of the literature, it was found that positive attitudes towards risk, innovation and perseverance are consistently associated with higher levels of engagement in entrepreneurial activity. Factors such as prior experience, social environment and mindset also play an important role in shaping an individual's entrepreneurial attitude.

An entrepreneurial mindset encompasses the way individuals perceive and interpret business situations, as well as their ability to take creative and adaptive actions in the face of challenges. This literature review reveals that an adaptive, inclusive, and proactive mindset has a strong relationship with an individual's ability to identify opportunities, overcome obstacles and manage risks effectively in a business context.

Entrepreneurial interest is an individual's internal drive to engage in entrepreneurial activity. From various studies surveyed, it was found that entrepreneurial interest is influenced by personal, social, and economic factors. Personal factors such as motivation, values, and self-confidence have a significant impact on individual interest in engaging in entrepreneurial activity. In addition, social support from family, friends, and mentors also plays an important role in shaping and strengthening one's entrepreneurial interest.

Overall, the results of this literature review highlight the complexity and interconnection between entrepreneurial readiness, attitude, mindset, and interest. Understanding the factors that influence these aspects can provide valuable insights in designing education, training and policy programs that support entrepreneurship development at different levels of society.

CONCLUSION

Entrepreneurial readiness plays an important role in addressing unemployment rates and accelerating a country's economic growth. Factors such as entrepreneurial mindset, entrepreneurial attitude, and entrepreneurial interest affect young people's entrepreneurial readiness. There is a negative attitude towards the risks of entrepreneurship and a tendency to choose to become a permanent employee or civil servant (PNS), which can hinder young people's entrepreneurial
interest. In addition, the lack of entrepreneurial readiness in school and college graduates can create a gap between the number of graduates and available jobs.

Based on the above conclusions, several recommendations can be considered. First, there is a need to improve entrepreneurship education at the school and college level to prepare the younger generation for entrepreneurship. The curriculum can be expanded to include entrepreneurial knowledge and skills, as well as providing practical training in developing business ideas. Second, the government and relevant institutions should provide support programs and entrepreneurship training to encourage young people's interest in entrepreneurship. This can include organizing seminars, workshops and easier access to resources and financing needed to start a business. Third, it is important to change negative perceptions of the risks of entrepreneurship and increase understanding of the potential benefits and opportunities that self-employment holds. Extension campaigns and more widespread information about the success of self-employment and its contribution to the economy can help create a change in people's views towards entrepreneurship. Finally, cooperation between the government, educational institutions and the business sector needs to be enhanced to create an enabling environment for young entrepreneurs. This could involve providing mentors and internship opportunities, as well as facilitating access to relevant networks and resources. By implementing these recommendations, it is hoped to improve the entrepreneurial readiness of young people, reduce unemployment rates, and promote better economic growth for the country.

REFERENCES


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