

CHAPTER I

INTRODUCTION

This section is about providing information regarding the context and reasons for conducting the research, identifying the research problem, outlining the research goals, discussing the significance and potential impact of the research, and explaining the theoretical and practical implications of the research. Additionally, the section defines the research scope and provides an overview of the research structure, which will be discussed in more detail in subsequent sub-sections.

1.1 Research Background

Entrepreneurship is a natural phenomenon that occurs in businesses that enables a business to become sustainable in a long run by utilizing the management and entrepreneurial skills to enable learning and changing, and the understanding of entrepreneurship will be beneficial to the entrepreneurs (Diandra & Azmy, 2020). Considered as the most dynamic phenomena in the world of economy, it can as well be affected by globalization and global economy crisis (Sergi et al., 2019). Widely known as a ubiquitous human activity, the role of entrepreneurship is crucial in the advancement of a nation's economy. It has been widely acknowledged by the academics and practitioners around the world as a primary factor that drives the development of a country's economy (Toma et al., 2014). Other than driving the economic growth, entrepreneurship also plays a key role in societal health and wealth as the existence of new businesses encourage new innovations to born that allows new opportunities to be explored, increasing productivity and employment rate, increasing income level, and adding value toward the business and its environment (Bosma et al., 2020).

Economists have been focusing their research and studies toward entrepreneurship for a long period of time, but the globalization of business drives entrepreneurship to become the main interest of research compared to the other disciplines (Sesen, 2013). The Global Entrepreneurship Monitor (GEM) surveyed 47 countries to study the entrepreneurship activities and condition around the world, Figure 1.1 is the results of the survey regarding the variation of entrepreneurial

activity levels in 2021 by measuring Total early-stage Entrepreneurial Activity (TEA) and Established Business Ownership (EBO) of the participating 47 countries:

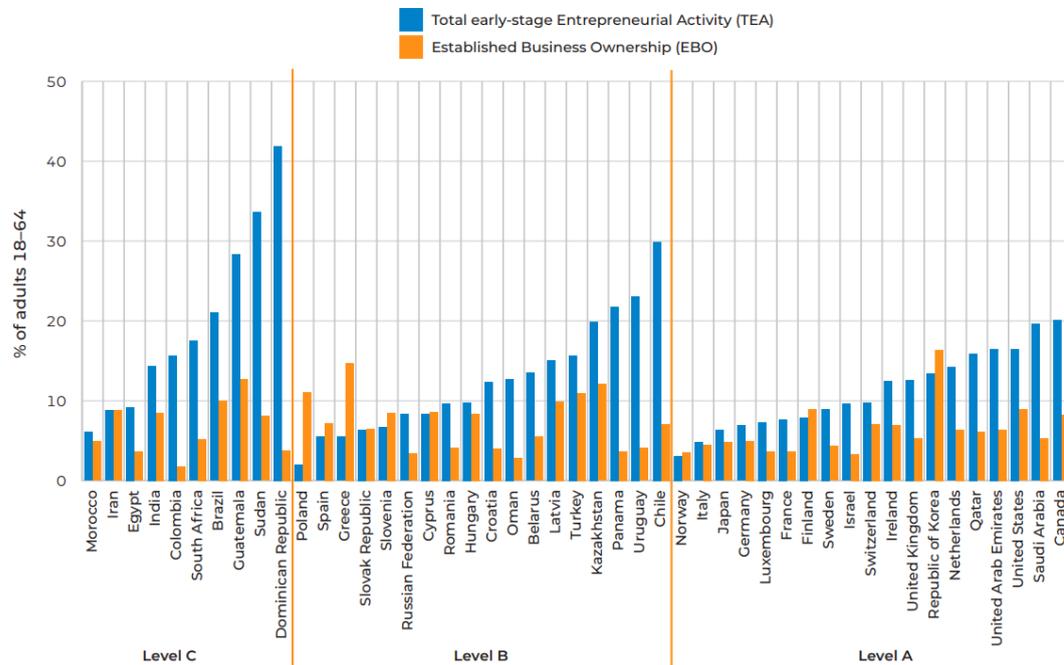


Figure 1.1 Total early-stage Entrepreneurial Activity and Established Business Ownership (%)

Source: Hill et al. (2022)

From Figure 1.1, Dominican Republic has the highest Total early-stage Entrepreneurship Activity (TEA) in which if it was proportioned, 2 out of 5 adults are running a new enterprise while Poland being the lowest in which only 1 out of 50 adults are running a new enterprise (S. Hill et al., 2022). Overall, the graph shows higher Total early-stage Entrepreneurial Activity (TEA) within the Level C category countries rather than countries within the Level A and Level B. But if compared to the Established Business Ownership (EBO), Level A and Level B countries have more balanced ratio compared to Level C countries.

To visualize the advancement of the Total early-stage Entrepreneurship Activity (TEA) and Established Business Ownership (EBO), Figure 1.2 and Figure 1.3 compare the TEA and EBO level from 2019, 2020, and 2021 simultaneously. The global scale data depicts the overall trend of entrepreneurship from the level of entrepreneurial activities. From the comparing 2019, 2020, and 2021 data, the graph reveals that entrepreneurial activities are still relatively low in most countries due to the effect of COVID-19 Pandemic (S. Hill et al., 2022).

According to Global Entrepreneurship Monitor (2022), the level of TEA and EBO graph illustrates a variety of experiences that these countries experienced. 15 out of 34 countries experienced a decline between 2019 to 2020 but experience an increase in 2021, while 12 out of 34 countries experience vice versa in which an increase happened between 2019 and 2020 but declines in 2021. 6 out of 34 countries faced a decline in all 2019 to 2021, and only 2 out of 34 countries faced an increase in all 2019 to 2021. Around 12 out of 34 countries had higher levels of TEA in 2021 compared to 2019, but the level difference is not significant. In general, the majority of countries suffer lower level of TEA in 2021 compared in 2019 as all countries are struggling from the effect of COVID-19 Pandemic. Although in 2021 most country show signs of recovery, the number shows that the recovery is insignificant. Therefore, there is a need in increasing entrepreneurial activities to create a rebound effect from the impacts of the pandemic.

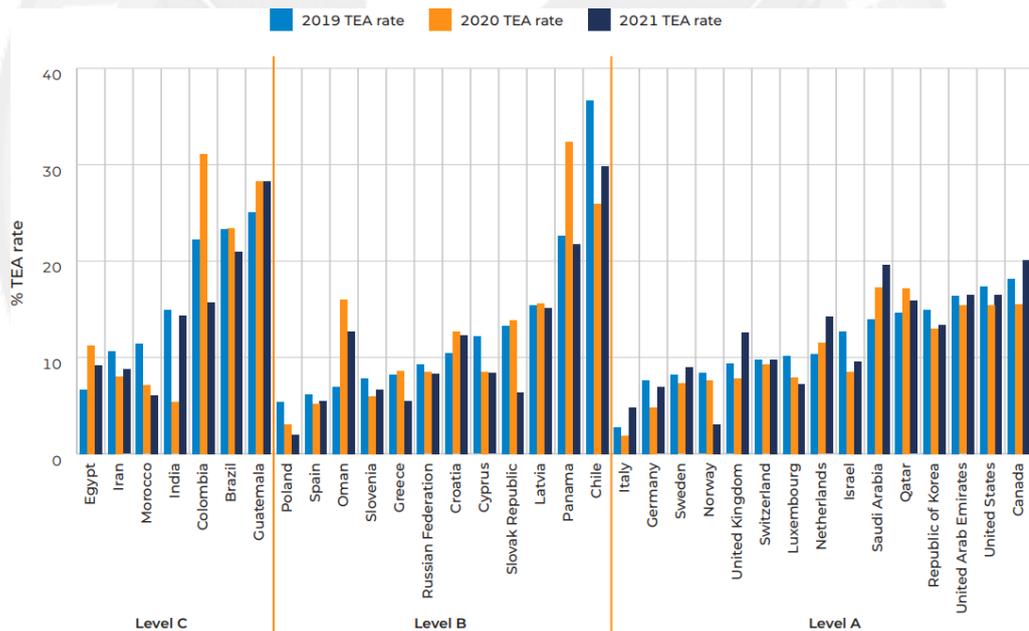


Figure 1.2 Levels of Total early-stage Entrepreneurial Activity (% TEA) in 2019, 2020 and 2021

Source: Hill et al. (2022)

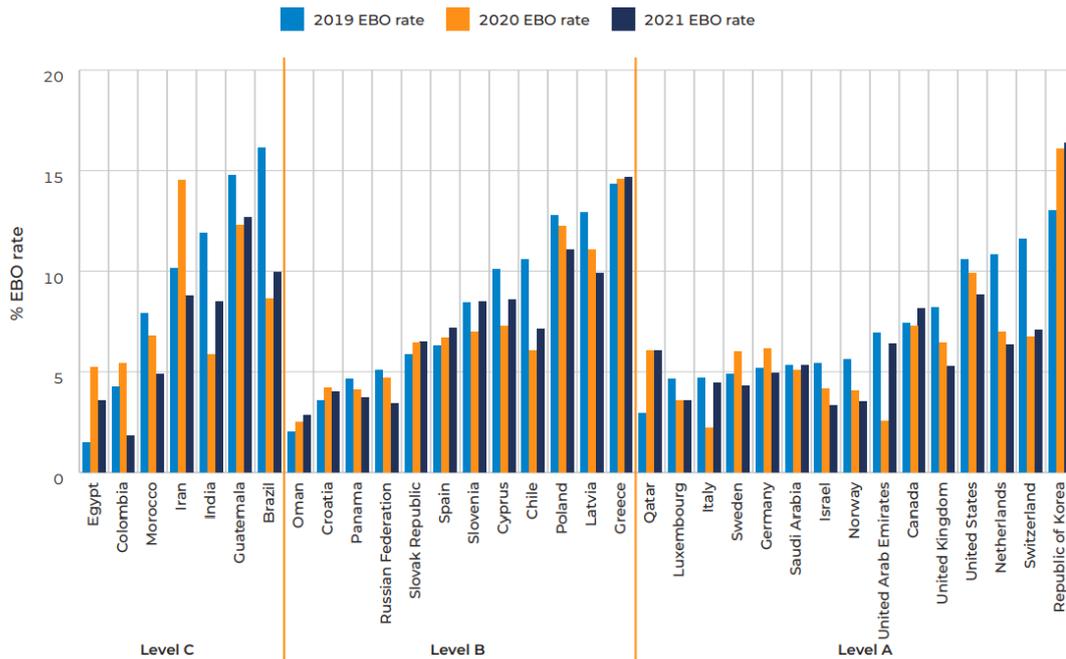


Figure 1.3 Levels of Established Business Ownership (% EBO) in 2019, 2020 and 2021

Source: Hill et al. (2022)

Within the Asia region, Figure 1.4 shows the level of entrepreneurial intention of 30 out of 48 Asian countries surveyed by the Global Entrepreneurship Monitor from 2002 up until 2021. The graph depicts the level of entrepreneurial intention over the time, it shows the dynamic changes of entrepreneurial intention level within most of countries. In addition, most countries experience a decrease in the level of entrepreneurial intention between 2019 and 2020, where the COVID-19 pandemic started. Some countries like United Arab Emirates, Qatar, Iran, and South Korea can recover in the 2021 with an insignificant amount of increase compared to the amount of decrease suffered. Meanwhile, countries like Kazakhstan, Saudi Arabia, India, and Japan are unfortunately unable to recover and instead suffering a further decline in 2021.

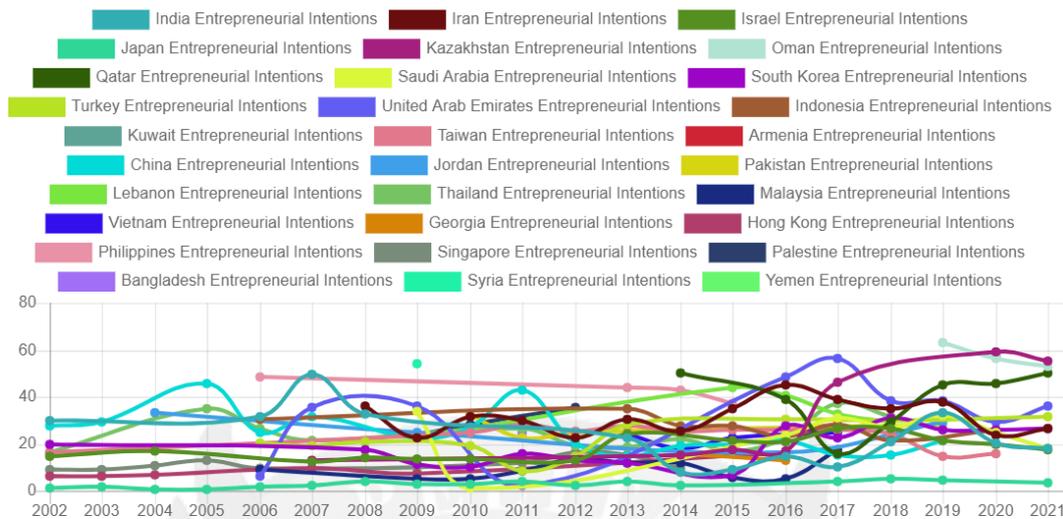


Figure 1.4 Level of Entrepreneurial Intention in Asia Countries 2003-2021

Source: Global Entrepreneurship Monitor (2022)

To further limit the geographical scope, the focus will be directed to the Southeast Asia region. Figures 1.5, 1.6, and 1.7 display data on the degree of entrepreneurial inclination, the overall level of early-stage entrepreneurial activities, and established business ownership in six Southeast Asian countries out of a total of 11 surveyed by the Global Entrepreneurship Monitor from 2001 to 2020. Within the data, Indonesia is the only country that updates up until 2022, while most of the other countries only provide data up until 2018 for Thailand, 2017 for Malaysia and Vietnam, 2015 for Philippines, and 2014 for Singapore.

Although Philippines has the highest level of entrepreneurial intention, the graph shows a steady decline. Along with it, the total early-stage entrepreneurship activity and established business ownership also suffers a decrease as well. Other countries also have similar graphic progression between the level of entrepreneurial intention, total early-stage entrepreneurial activity, and established business ownership. Within the Southeast Asia region resides a giant archipelago country named Indonesia, where this research will proceed on. In comparison with other Southeast Asia country from the graph, Indonesia has a steady level of entrepreneurial intention, total early-stage entrepreneurial activities, and established business ownership despite the downward direction of the graphs.

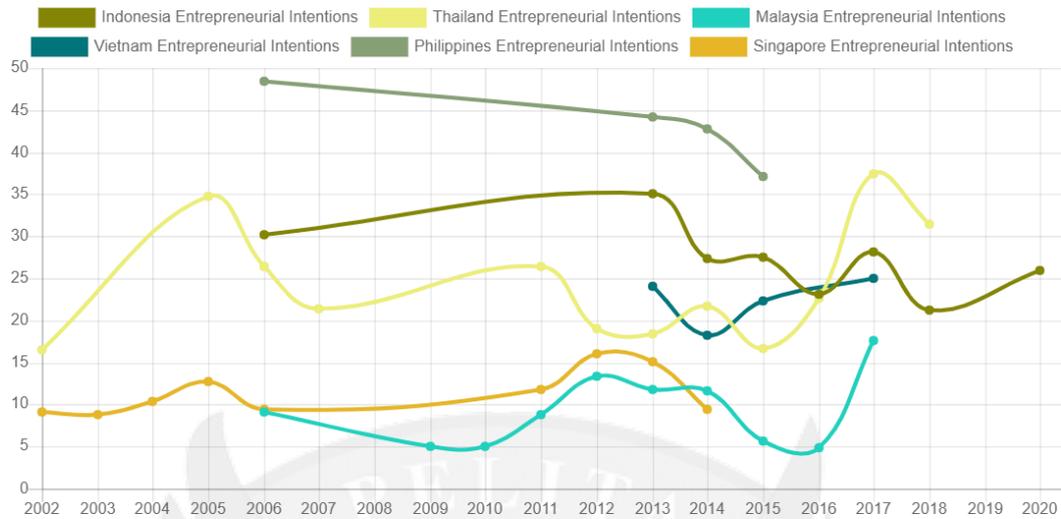


Figure 1.5 Level of Entrepreneurial Intention in Southeast Asian Countries 2003-2021

Source: Global Entrepreneurship Monitor (2022)

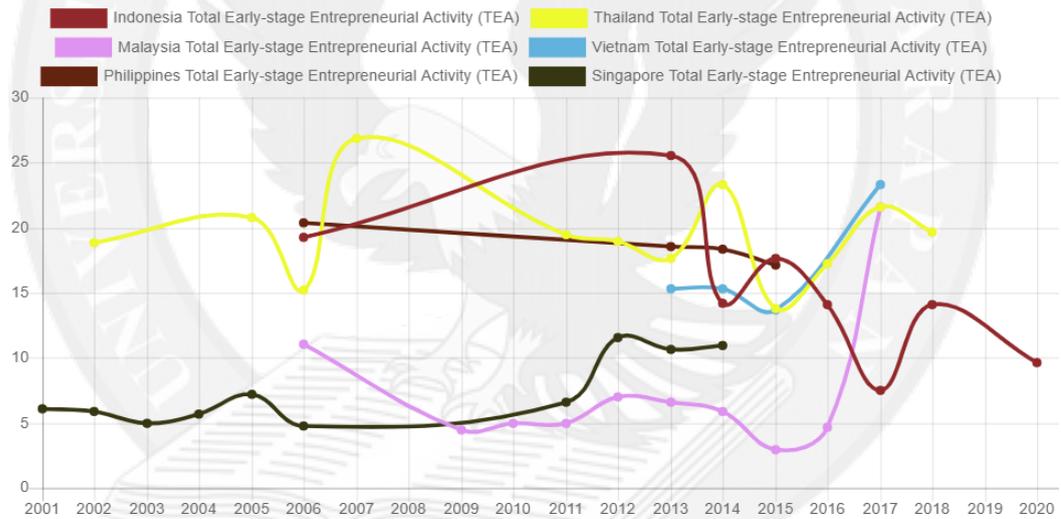


Figure 1.6 Total Early-stage Entrepreneurial Activity in Southeast Asian Countries 2003-2020

Source: Global Entrepreneurship Monitor (2022)

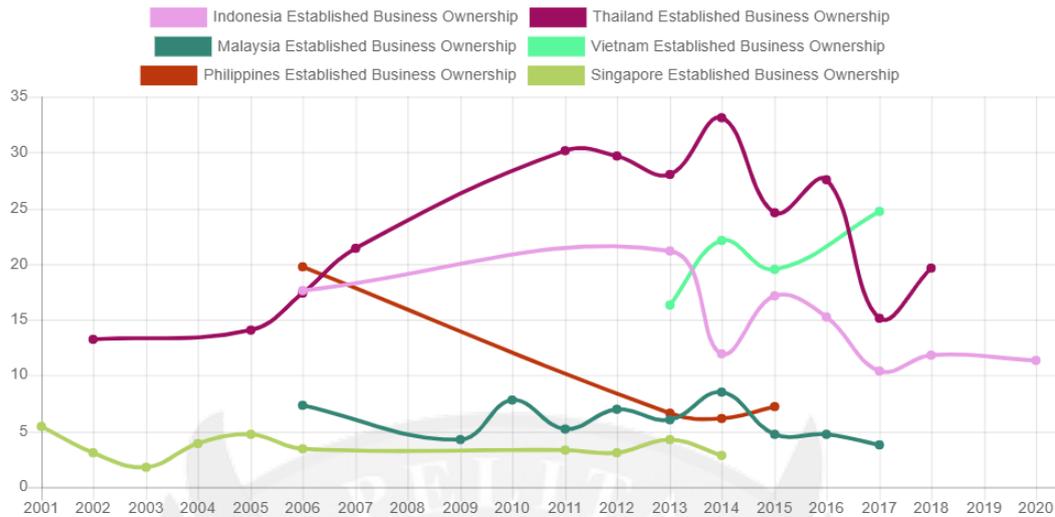


Figure 1.7 Level of Established Business Ownership in Southeast Asian Countries 2003-2020

Source: Global Entrepreneurship Monitor (2022)

The Ministry of Industry stated that Indonesia requires around 4 million new entrepreneurs in the effort to strengthen the country’s economic structure. With that need in account, the government is putting an effort to spur the growth of small and medium enterprises to increase productivity and competitiveness in the digital era, in the hope to develop Indonesia into a developed country. Some of noticeable government efforts in creating more entrepreneurs are creating a platform for the database of small and medium enterprises in Indonesia, and as well as providing a digital inclusive financial service (Press Conference, 2018).

Statista conducted a survey in 2021 which revealed the proportion of people in Asia who participated in establishing a new business. The findings are presented in Figure 1.8. As illustrated in Figure 1.8, 4 countries out of 48 are participating within this survey, which are India, Republic of Korea, Taiwan, and Indonesia. The highest percentage of populations that is setting up a new business is on Republic of Korea, with 8.2% of its population. Meanwhile, Indonesia has the lowest percentage of population that is setting up a new business in which only 2.5%, of its population. This depicts Indonesia’s needs of more entrepreneurs to increase the country’s entrepreneurial activities.

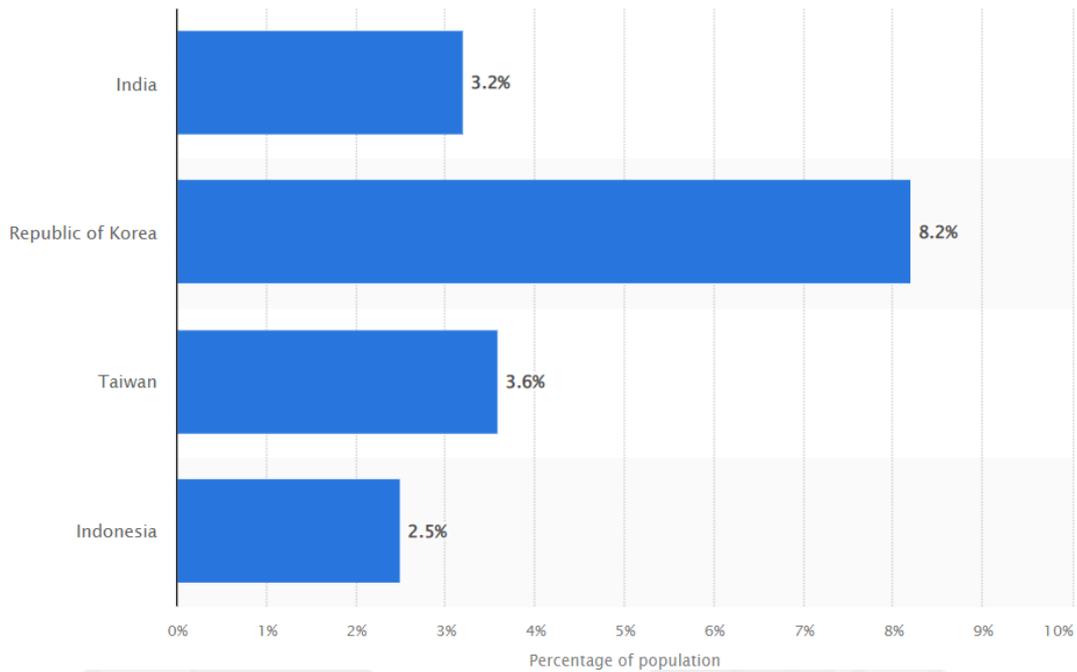


Figure 1.8 Percentage of Population Involved in Setting up A New Business in Asia in 2020

Source: Statista (2021)

Global Entrepreneurship Monitor (2022) surveys the level of entrepreneurial intention, total early-stage entrepreneurial activity, and established business ownership from 2006 to 2020 in Indonesia. Figure 1.9 compiles the level of entrepreneurial intention, total early-stage entrepreneurial activity of Indonesia from Figure 1.5, Figure 1.6, and Figure 1.7 within one graph to highlight the focus toward Indonesia. Between 2019 and 2020, Indonesia suffers a decline for the levels of total-early entrepreneurship activity and established business ownership. Ironically at the same period of time, the level of entrepreneurship intention in Indonesia increases.

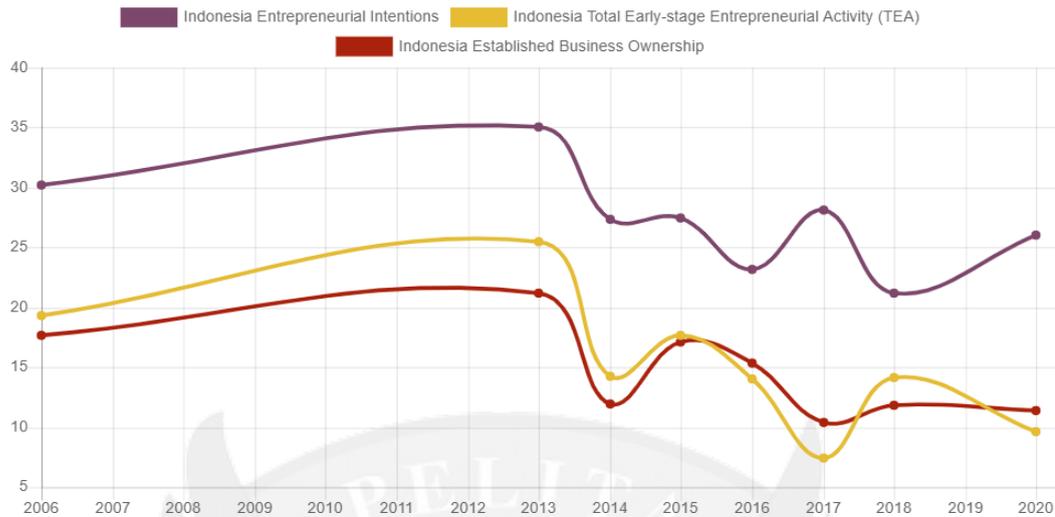


Figure 1.9 Level of Entrepreneurial Intention, TEA, and EBO in Indonesia 2003-2021

Source: Global Entrepreneurship Monitor (2022)

From the country's needs of entrepreneurs, it was clear that entrepreneurs have a crucial role in developing a country's prospects. Entrepreneurship has been linked as a key contributor toward a country's economic development and growth, in which is found that small and medium enterprises are proven to contribute to a country's GDP more than large enterprises do (Meyer & de Jongh, 2018). Creation of new businesses through entrepreneurship creates more job opportunities for unemployed, promote money circulation by enabling people to spend more, as well as opening opportunities for knowledge transfers along with employment and innovation (Meyer & de Jongh, 2018).

To understand on how Indonesia can rise the country's population of entrepreneurs, it is crucial to have knowledge of entrepreneurial intention as it is the key to understand how to encourage the growth of entrepreneurship, especially within university students (Tomy & Pardede, 2020). Because of that, universities have a critical role in nurturing the entrepreneurial intention of its students (Sidratulmunthah et al., 2018; Tomy & Pardede, 2020). Most university students are from the Generation Z that ranges from age of 11 up until 26, in which they are the leading force of entrepreneurship (Tomy & Pardede, 2020). They have more potential and willingness in taking risks and exploring new possibilities and combine that with their sufficient knowledge gained from university they attend makes university students a better candidate to be entrepreneurs.

Indonesia has a widespread of higher education institutions across the country from Sabang to Merauke, giving access Indonesians across all over the country an opportunity to have higher education. However, the number of institutions within Indonesia has not spread evenly, with most of the institutions available located within the Island of Java. Table 1.1 shows the number of institutions, program study, new entrants, enrolled students, graduates, and lecturers. From the table, there is a clear discrepancy between provinces within the Java Island and provinces outside of Java Island. East Java holds the highest number of institutions, program study, new entrants, graduates, and lecturers altogether singlehandedly. Other than East Java, the three region that made up the Jabodetabek megacity cluster made up a number catching up close with East Java.

Table 1.1 Overview of Higher Education by Province National Status Year 2020

Province	Institutions	New Entrants	Enrolled Students	Graduates	Lecturers
D.K.I. Jakarta	395	200.748	764.084	178.329	32.137
West Java	597	270.113	871.191	192.643	39.596
Banten	168	210.202	1.334.358	114.223	12.180
Central Java	367	208.533	692.462	142.173	25.145
D.I Yogyakarta	135	115.507	402.883	88.065	14.268
East Java	558	284.240	1.007.427	227.694	40.870
Aceh	151	43.094	208.147	32.118	10.015
North Sumatra	325	105.995	428.120	77.130	18.239
West Sumatra	132	61.990	210.866	45.666	9.174
Riau	111	48.167	175.098	33.425	6.491

Kepulauan Riau	62	13.669	45.354	8.213	2.442
Jambi	64	23.218	97.747	13.336	3.793
South Sumatra	144	43.939	166.263	34.317	7.875
Bangka Belitung	22	4.166	16.005	2.856	880
Bengkulu	27	16.189	56.279	13.196	2.693
Lampung	122	44.005	170.186	28.747	7.041
West Kalimantan	80	32.126	111.297	21.209	3.886
Central Kalimantan	39	14.805	37.482	8.237	2.381
South Kalimantan	70	33.528	117.820	23.994	4.758
East Kalimantan	78	35.003	103.565	20.188	4.685
North Kalimantan	11	2.633	12.329	2.131	639
North Sulawesi	93	24.085	96.195	17.001	5.192
Gorontalo	14	13.348	58.264	6.938	2.120
Central Sulawesi	50	21.104	86.976	12.043	3.943
South Sulawesi	262	104.724	407.139	75.328	16.916
West Sulawesi	32	6.354	23.036	2.973	1.531
Southeast Sulawesi	58	23.822	104.599	11.738	4.477
Maluku	43	14.421	51.032	7.521	3.193
North Maluku	25	8.804	48.047	5.686	2.225

Bali	75	40.397	173.931	31.288	7.636
West Nusa Tenggara	90	32.577	118.542	21.310	6.100
East Nusa Tenggara	78	30.131	121.878	20.823	5.103
Papua	80	22.841	116.337	8.927	3.260
West Papua	35	9.204	48.274	5.608	2.006
INDONESIA	4.593	2.163.682	8.483.213	1.535.074	312.890

Source: Handini et al. (2020)

The Jabodetabek region consists of Jakarta that is part of DKI Jakarta Province as the centre of the Jabodetabek area, then followed by the neighbouring cities from Bogor, Depok, and Bekasi that are part of the West Java province, along with Tangerang that is part of the Banten province. As the largest megacity in Indonesia, the Jabodetabek area plays a key role as the country's focal point of economic, social, and political aspects (Rustiadi et al., 2015). Although the Jabodetabek area does not hold as many university students as in East Java, the point that this location is the focal point of Indonesia means that university students within this area will likely have more exposure and resources to be utilized for purposes such as entrepreneurship. The table 1.2 is data of institutions and university students within DKI Jakarta.

Table 1.2 Number of Institutions and Students Under The Ministry of Research and Technology Based On Regency/City in DKI Jakarta Province 2019-2021

Regency/City	Number of Institutions and Students under The Ministry of Research, Technology and Higher Education Based on Regency/City within DKI Jakarta Province					
	Number of Institutions			Number of Students (TOTAL)		
	2019	2020	2021	2019	2020	2021
Kep. Seribu	0	0	0	0	0	0
South Jakarta	97	96	89	247.074	247.136	239.017
East Jakarta	88	87	84	142.613	146.709	139.349

Central Jakarta	61	56	60	114.337	140.774	144.636
West Jakarta	0	0	0	202.622	155.370	157.599
North Jakarta	0	0	0	17.442	17.718	17.667
DKI Jakarta	246	239	233	724088	707.707	698.268

Source: Handini et al. (2020)

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The researcher conducted a small-scaled pre-test survey to further support the decision to continue proceeding this research paper, gathering a sample of 20 respondents who are university students from Jabodetabek area. The pre-test survey consisted of 12 questionnaires divided into 3 preliminary questions to validate the survey and 8 variable-related questions. The preliminary questions consist of the participant's age, the status of the respondents (either a university student or a high school student), and whether the respondents ever took entrepreneurship-related classes during their time in their respective universities. The variable-related questions consist of questions that are related to the four variables that this research use, which are positive emotion, entrepreneurial self-efficacy, attitude toward risk-taking, and entrepreneurial intention.

Figure 1.10 shows the age category of the respondents, 70% of the respondents are within the category ages of 21-30 years old and the remaining 30% are within ages of 17-20 years old. Since there are 20 respondents in total, therefore it can be inferred that there are 14 respondents that are within ages of 21-30 years old and there are 6 respondents that are within ages of 17-20. However, age alone

does not determine whether the age-appropriate respondents are university students. Therefore, the next question asks the status of the respondents whether the respondents are legitimate university students or high-school students.

Age Usia
20 responses

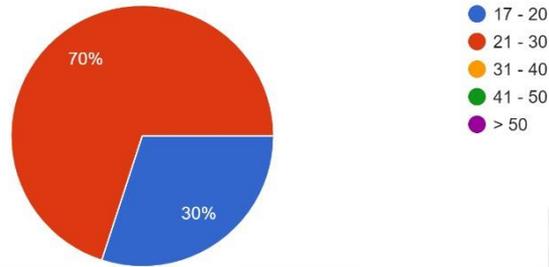


Figure 1.10 Age Category of Respondents

Source: Pre-Test Survey

Figure 1.11 displays the educational status of the 20 survey participants, separating them into university students or high-school students. This question is crucial in determining the validity of the survey results, as the research only focuses on university students and not high-school students. The results show that all 20 participants are university students, which aligns with the objectives of the research. Therefore, the pre-test survey is considered valid for the purpose of this study.

Are you an University Student or a High School Student? Apakah anda adalah mahasiswa/i atau siswa/i SMA?
20 responses



Figure 1.11 Status of Respondents (University Student or High School Student)

Source: Pre-Test Survey

Figure 1.12 illustrates the level of importance of entrepreneurship classes from the perspective of the respondents by using the 5-point Likert Scale, from scale 1 that equals to not very important to scale 5 that equals to very important. From the 20 respondents, 9 respondents (45%) score a 5 that translates the

respondents' opinion that entrepreneurship classes are very important, 6 respondents (30%) score a 4 that translates the respondents' opinion that entrepreneurship classes are important, and 5 respondents (25%) scores a 3 that translates the respondents' opinion that entrepreneurship classes are in between of important and unimportant. The average scores given by the 20 respondents are 4.2, which is gained by using the formula for average $\frac{(3 \times 5) + (4 \times 6) + (5 \times 9)}{20}$. From the scores given, it can be inferred that all respondents agreed that entrepreneurial classes are important none of the respondents perceive entrepreneurial classes as unimportant as none gave a score of 1 or 2, since the lowest score given is 3. However, the variant of score given shows how differ the opinions of the respondents concerning the level of importance toward entrepreneurial classes.

How important is the existence of Entrepreneurship-related courses? Seberapa penting keberadaan mata kuliah yang berhubungan dengan kewirausahaan?
20 responses

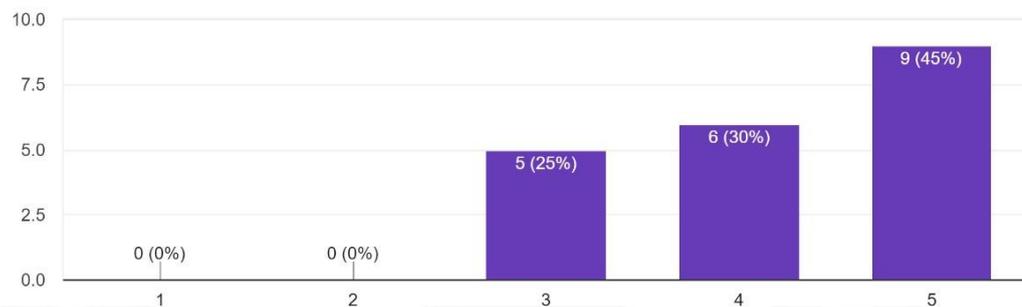


Figure 1.12 The Importance of Entrepreneurship Classes According To Respondents

Source: Pre-Test Survey

Figure 1.13 displays the entrepreneurial intentions of the 20 survey participants. The results show that half of the respondents, or 10 participants, have a desire to become entrepreneurs, while the other half, or 10 participants, do not have any intentions to become entrepreneurs. This indicates that the level of entrepreneurial intention among the respondents is balanced and not particularly high or low. However, this result still provides reason for conducting further research on entrepreneurial intention, as there is potential for improvement and increased benefits.

Do you have any intention (wanting or planning to, whether for real or just a dream) to become an entrepreneur? Apakah anda punya niat (keingina... maupun sekedar mimpi) untuk menjadi wirausaha?
20 responses

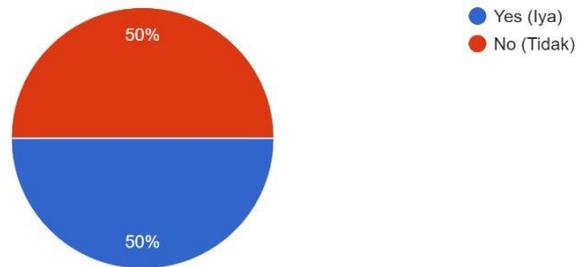


Figure 1.13 Entrepreneurial Intention of Students

Source: Pre-Test Survey

Figure 1.14 displays the number of participants who experienced positive emotions such as happiness, joy, contentment, and satisfaction while enrolled in entrepreneurship classes. The results of the pre-test survey indicate that 75% of the respondents, or 15 participants, felt positive emotions during their entrepreneurship classes, while the other 25% of respondents, or 5 participants, did not have a positive experience. This shows that most of the participants had a positive emotional response to their entrepreneurship classes.

Do you feel happy/excited/joy/content/satisfaction in taking the class(es)? Apakah anda merasa senang/gembira/bahagia/tenang/puas saat di kelas tersebut?
20 responses

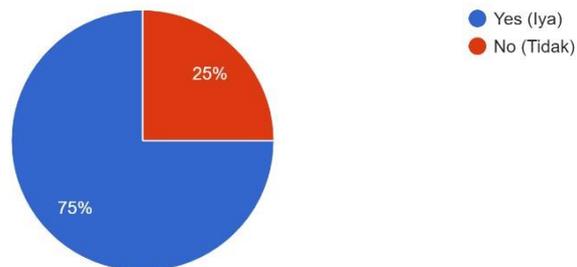


Figure 1.14 Positive Emotion Experienced by Students

Source: Pre-Test Survey

Figure 1.15 illustrates the impact of positive emotions experienced by the participants on their entrepreneurial intentions. The results of the pre-test survey showed that 60% of the respondents, or 12 participants, agreed that the positive feelings they experienced in entrepreneurship classes influenced their entrepreneurial intentions, while 40% of the respondents, or 8 participants,

disagreed. When compared to the results of Figure 1.14, there is a 10% increase in the number of participants who agreed that positive emotions impacted their entrepreneurial intentions. This suggests that positive emotions can have an impact on the entrepreneurial intentions of the participants.

Does that feelings make you wanting more to become entrepreneur? Apakah perasaan tersebut mempengaruhi keinginan anda menjadi wirausaha?

20 responses

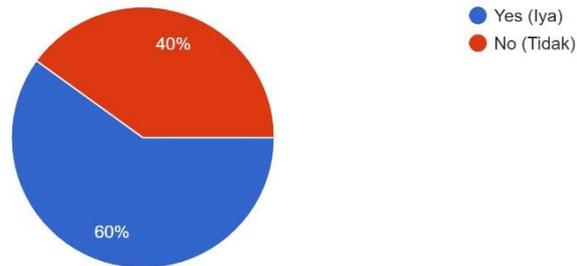


Figure 1.15 Positive Emotion of Students Toward Their Entrepreneurial Intention

Source: Pre-Test Survey

Figure 1.16 shows the presence of entrepreneurial self-efficacy among the 20 participants and the overall level of self-efficacy among the group. The results of the pre-test survey found that 55% of the respondents, or 11 participants, do not believe in their own ability to become an entrepreneur, while 45% of the respondents, or 9 participants, do believe in their capability to become an entrepreneur. This indicates that over half of the participants lack confidence in their ability to become entrepreneurs or have a low level of entrepreneurial self-efficacy.

Do you believe in your capabilities in becoming an entrepreneur? Apakah anda percaya pada kemampuan anda menjadi wirausaha?

20 responses

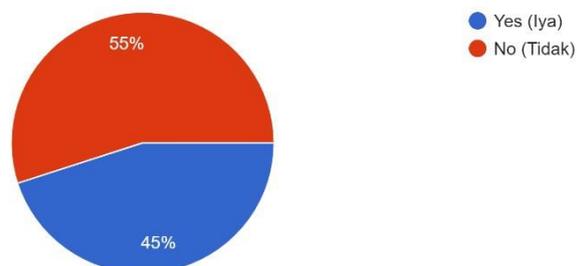


Figure 1.16 Entrepreneurial Self-Efficacy of Respondents

Source: Pre-Test Survey

Figure 1.17 illustrates the ability of the 20 participants to take risks in an entrepreneurial context. The results of the pre-test survey showed that 70% of the respondents, or 14 participants, have the capability to take risks, while 30% of the respondents, or 6 participants, do not have the ability to take risks. This suggests that the majority of the participants are capable of taking risks in an entrepreneurial setting.

Do you dare to take risks? Apakah anda berani mengambil resiko?
20 responses

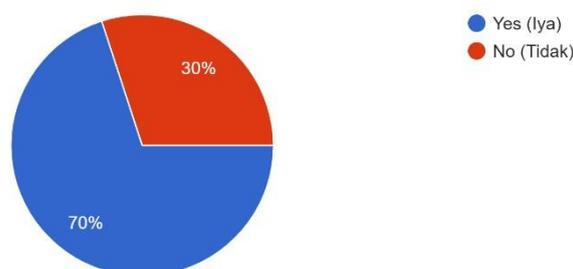


Figure 1.17 Attitude Toward Risk-Taking of the Students

Source: Pre-Test Survey

Figure 1.18 shows the preparedness of the respondents to become entrepreneurs, reflecting the realization of their entrepreneurial intentions. The pre-test survey results indicate that half of the 20 respondents, 10 respondents (50%), are ready to become entrepreneurs and the other half, 10 respondents (50%), are not yet ready. The preparedness of the respondents falls in the middle ground between ready and not ready, matching the results of Figure 1.14 which looked at the respondents' entrepreneurial intentions as an unfulfilled plan.

Are you ready to become an entrepreneur? Apakah anda siap menjadi seorang wirausaha?
20 responses

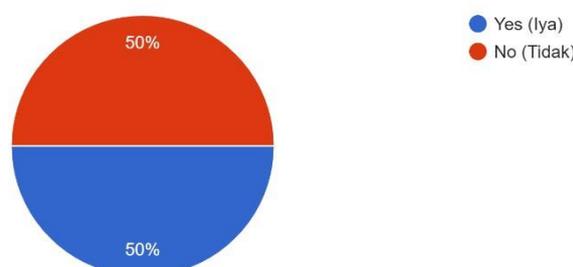


Figure 1.18 The Readiness of Students To Become Entrepreneurs (Entrepreneurial Intention)

Source: Pre-Test Survey

To conclude, the pre-test survey has provided some insights for the research to further proceed as the results supports the need for this research to be executed. The pre-test survey has proven the existence of impact from positive emotion toward entrepreneurial intention, which aligns to studies from Chen et al. (2021). The pre-test survey also measures the level of entrepreneurial self-efficacy and attitude toward risk-taking and found that majority of respondents do not have the confidence within their entrepreneurial abilities. However, the respondent do have the propensity to take risks. This intrigued the researcher on the implications created from this level of entrepreneurial self-efficacy and risk-taking attitude if it acts as a mediating variable for positive emotion.

Another interesting discovery by the pre-test survey is how positive emotion impacts the entrepreneurial intention of the respondents shown by comparing Figure 1.15 and Figure 1.18, where 10% more respondents develop entrepreneurial intention from the positive emotion that they experienced during entrepreneurship classes. Although it is true that the entrepreneurial intention level is not inadequate yet based on the pre-test survey, the fact that Indonesia has the needs to create more entrepreneurs (Press Conference, 2018) creates a need in the study and execution of entrepreneurial intention to create new entrepreneurs. To support further, data from Global Entrepreneurship Monitor (2022) and Statista (2021) has illustrates the current condition of Indonesia's mediocre entrepreneurship condition in comparison with other countries. Overall, the pre-test survey has open up the possibilities that the researcher should explore within this research study.

From the pre-test survey, the researcher concludes that a study of possible variables and factors that may impact entrepreneurial intention must be conducted and implemented to drive further the current level of entrepreneurial intention within university students in response to the country's need in more entrepreneurs and enterprises. Many previous studies have studied different kinds of variables that affect entrepreneurial intention; however the researcher has taken into interest on the role of positive emotion toward entrepreneurial intention as positive emotion does not only affect entrepreneurial intention, but as well as the behaviour and attitude that enables to effectively handle the challenges posed by the uncertain and dangerous conditions of the business world, leading to the development of a risk-

taking approach and a sustained positive attitude, fostering a long-term commitment to success (Chen et al.,2021). Despite the potential benefit of studying positive emotion, there is a shortage of studies on the subjective benefits of being an entrepreneur, such as how positive emotional experiences impact the continued pursuit of entrepreneurship (Su et al., 2020). This is the first reason why the researcher desires to proceed on with this research.

The second reason why the researcher would proceed writing this research is to see the effects of the mediating variables entrepreneurial self-efficacy and attitude toward risk-taking in mediating positive emotion toward entrepreneurial intention, as these variable are studied enough by previous existing studies due to the amount of available research about it. University is the most suitable place to enforce positive emotion as it plays a key role in driving the entrepreneurial intention of university students (Sidratulmunthah et al., 2018; Tomy & Pardede, 2020), therefore giving the researcher an aim for offering universities a reason to redesign their entrepreneurship classes in a way that it will develop positive emotions of the students to conduct an effective learning.

Lastly, the researcher also noticed research gaps within a study by Chen et al. (2021) where the respondents of its research are university students who have participated in “3chuang” business competition, which is stated as a limitation within the research. Therefore, a broader scope of research subject will create research results that represents more of the general population as stated by Chen et al. (2021). Another research gap that the study addressed is that the previous research was commenced in Guangdong, China. This country has convenient environment for entrepreneurship activities to flourish due to the country’s policies and economic condition. However, not every country around the world had the same environmental advantages as China. Therefore, the researcher would like to explore the possibility of results when this research is performed in another country with different environmental condition, such as Indonesia.

This research study is a replication and modification of a study of Positive Emotions and Entrepreneurial Intention: The Mediating Role of Entrepreneurial Cognition from Chen et al. (2021). This study was done in China, with university students that participated in 3chuang national innovation and entrepreneurship

competition as their object or study. The modification of this research is done by replacing the mediating variable of entrepreneurial cognition from Chen et al. (2021) with entrepreneurial self-efficacy and attitude toward risk-taking from a study of Cognitive Flexibility: Impact on Entrepreneurial Intentions from Dheer & Lenartowicz (2019) as the mediating variables. The researcher finds entrepreneurial cognition far too profound into the psychology field, in which the researcher would not like to touch the subject further as it is deemed to be out of the boundaries of the researcher's capabilities.

1.2 Research Questions

Here are the following research questions that have been developed according to the research background:

1. Does positive emotion have positive effect toward entrepreneurial intention?
2. Does positive emotion have positive effect toward entrepreneurial self-efficacy?
3. Does positive emotion have positive effect toward attitude toward risk-taking?
4. Does entrepreneurial self-efficacy have positive effect toward entrepreneurial intention?
5. Does attitude toward risk-taking have positive effect toward entrepreneurial intention?
6. Does positive emotion mediated by entrepreneurial self-efficacy have positive effect toward entrepreneurial intention?
7. Does positive emotion mediated by attitude toward risk-taking have positive effect toward entrepreneurial intention?

1.3 Research Objectives

Based on the context of this study, the research objectives are as follows:

1. To determine the significant effect of positive emotion toward entrepreneurial intention.
2. To determine the significant effect of positive emotion toward entrepreneurial self-efficacy.

3. To determine the significant effect of the entrepreneurial self-efficacy toward entrepreneurial intention.
4. To determine the significant effect of positive emotion mediated by entrepreneurial self-efficacy toward entrepreneurial intention.
5. To determine the significant effect of positive emotion toward the attitude of taking risks.
6. To determine the significant effect of the attitude toward risk-taking toward entrepreneurial intention.
7. To determine the significant effect of positive emotion mediated by attitude toward risk-taking toward entrepreneurial intention.

1.4 Research Contribution

In the mind of bringing an impact toward future research, this research has two types of contributions that is to be done:

- **Theoretical Contribution**

The objective of this research is to contribute to the development of entrepreneurial intention study, specifically toward its connection to emotion that an individual feels. This study uses a specific variable positive emotion that specifically highlights the feelings or emotions that an individual feels, in which it is rarely studied its effects on entrepreneurial intention despite the possibilities of its impact toward entrepreneurial intention.

- **Practical Contribution**

This research contribute in providing insights for higher-education institutions and governments in the aim to increase entrepreneurship activities within the country by increasing the entrepreneurial intention of university students through the understanding of the factors that drives the entrepreneurial intention of an individual, specifically positive emotion, entrepreneurial self-efficacy, and attitude toward risk-taking.

1.5 Research Scope and Limitations

Due to the limited time and resources available for aiding in this study, the researcher requires to create the research scope and limitations that will be explained further. The aim of this study is to verify whether positive emotions and cognitive flexibility takes role in the development of entrepreneurial intention. This research limits the geographical scope to universities within the Jabodetabek area, an area within the Java Island of Indonesia that consists of Jakarta, Bogor, Depok, Tangerang, and Bekasi. This geographic location is known for the density of population and the main source of productivity. The samples for this study will be university students that are taking S1 degree in Jabodetabek area of Indonesia, regardless of their faculty or major concentration study of their choice.

1.6 Research Model

This research is based on the model formulated by Chen et al. (2021), modified with a model formulated by Dheer & Lenartowicz (2019). The variable entrepreneurial cognition from Chen et al. (2021) is removed in this study's research model due to its irrelevances toward the research's economics nature. The modified model consists of two independent variables, two mediating variables, and one dependent variable. Positive emotions and cognitive flexibility are the independent variables, entrepreneurial self-efficacy, and attitude toward risk-taking are the mediating variables, and entrepreneurial intention is the dependant variable.

1.7 Research Systematic Outline

This study is divided into five main chapters with many sub-chapters within to make the content of the research easier to understand. Here is the outline of each chapter:

- **Chapter I: Introduction**

The background of the study and the phenomenon being investigated are described in this chapter. It includes the formulation of the problem, the research questions, the goals of the study, the contributions it makes, the limitations of the research, and a comprehensive outline of the study.

- **Chapter II: Literature Review**

This chapter provides a comprehensive understanding of the theoretical and literary basis that serves as the foundation for the formation of hypotheses. It is constructed from numerous references by various authors and encompasses the connections between variables, research hypotheses, and research models.

- **Chapter III: Research Methodology**

This chapter outlines the research methodology and the author's perspective on the methods used to address the research questions. It includes information on the research object, measurements, unit of analysis, sample design, methods of data collection, and data analysis techniques.

- **Chapter IV: Data Analysis and Discussion**

This chapter presents the results of the study that were derived from the data analysis, including the results from statistical tests and data analysis. The chapter also includes a discussion and examination of the results to answer the research questions.

- **Chapter V: Conclusion and Recommendations**

This chapter summarizes the findings of the research and draws conclusions from the hypotheses, providing insights into the implications for management, acknowledging limitations, and suggesting areas for future research.