

DETERMINANTS OF CAREER CHOICE BETWEEN ENTREPRENEURSHIP AND EMPLOYMENT: A PLS-SEM APPROACH



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Abstract

This study aims to analyze the determinants of career choice between entrepreneurship and employment by examining the role of interest, motivation, social influence, and family factors. A quantitative approach was employed using Partial Least Squares Structural Equation Modeling (PLS-SEM) based on data collected from 251 respondents. The results indicate that motivation ($\beta = 0.343$) and interest ($\beta = 0.210$) have significant positive effects on entrepreneurial career choice, while social influence ($\beta = 0.029$) and family influence ($\beta = 0.125$) show relatively weak effects. In contrast, all independent variables exhibit very low effects on employment career choice, suggesting limited explanatory power of the model for this outcome. The model explains 38.7% of the variance in entrepreneurial career choice and 40.5% in employment career choice, indicating moderate explanatory power. These findings suggest that entrepreneurial career decisions are primarily driven by internal psychological factors, whereas employment decisions are likely influenced by external conditions beyond the variables examined in this study. This study contributes to the literature by integrating economic and psychological perspectives in explaining dual career choices within a unified PLS-SEM framework.

Keywords: Career Aspirations, Entrepreneurship, Corporate Career, Interest, Social Learning, Management Students

INTRODUCTION

The labor market in Indonesia experiences complex dynamics, influenced by various global and local factors that create unique opportunities and challenges for workers, particularly university graduates. According to Ayuningtyas and Suryanata, although the overall competitiveness of Indonesia's workforce remains behind that of other countries, there are significant variations in labor market indicators across provinces in Indonesia. This highlights the importance of understanding local conditions to address specific labor market needs (Ayuningtyas & Suryanata, 2022)

Significant changes have also occurred due to the influence of the Fourth Industrial Revolution, which has transformed how companies manage human resources. This era of digitalization requires new skills and rapid adaptation from the workforce, especially those in the technology and manufacturing sectors. Management students must prepare themselves to meet the demands of this dynamic labor market by developing relevant digital and analytical skills.

Equally important, the COVID-19 pandemic has had a profound impact on both the global and local economies, disproportionately affecting specific economic sectors such as tourism and services. Pandu Adi Cakranegara revealed that this crisis has worsened labor market conditions, forcing governments and educational institutions to adopt policies and curricula to support economic resilience and enhance students' employability (Cakranegara, 2020). The crisis has underscored the importance of adaptability and resilience as essential skills for management students to develop.

In this context, it is important for management students to consider all these factors when choosing their career paths, whether it involves becoming corporate employees, which may offer more stability, or pursuing an entrepreneurial route that requires greater resilience and independence. A deep understanding of the current labor market dynamics will help them make informed and relevant career decisions in a constantly evolving future.

Based on the West Kalimantan Province Employment Statistics for 2022 by the Central Bureau of Statistics of West Kalimantan Province, during the period from 2021 to 2022, West Kalimantan Province showed positive changes in its employment indicators. The Labor Force Participation Rate (LFPR) increased slightly from 68.45% to 68.97%, indicating more individuals engaging in the labor market. The Open Unemployment Rate (OUR) declined from 5.82% to 5.11%, along with a decrease in the Underemployment Rate from 9.62% to 7.21%, signifying increased opportunities for full employment and fewer individuals seeking additional work hours. Additionally, the informal employment rate decreased from 60.87% to 58.77%, reflecting a small yet significant shift toward more formal and structured jobs in the province (Munawaroh, 2022).

University curricula and facilities play a crucial role in shaping students' career aspirations. The Merdeka Belajar - Kampus Merdeka (MBKM) policy, implemented in line with Minister of Education and Culture Regulation No. 3 of 2020, illustrates how curriculum adjustments can prepare students to face labor market challenges (Siska & Anggraini, 2021). This program facilitates broader learning opportunities through activities such as student exchanges, enriching students with additional competencies and practical experiences relevant to industry and business needs (Siska & Anggraini, 2021)

Business incubators in universities, as one of the provided facilities, play an important role in fostering entrepreneurial interest among students. Incubation programs provide support through training, mentorship, and resources that enable students to develop their

business ideas into potential startups. This is reinforced by research showing that business incubator activities can increase students' entrepreneurial interest before and after participating in these programs (Mayasari et al., 2019).

Business incubation facilities not only provide technical support but also change students' mindsets, boost their confidence, and strengthen their entrepreneurial motivation. This creates a conducive environment where students feel supported to explore and develop their entrepreneurial initiatives (Mayasari, Liliana, & Seto, 2019). In the journal article "The Impact of Young Entrepreneurs' Network Entrepreneurship Education and Management System Innovation on Students' Entrepreneurial Psychology," various methods of teaching entrepreneurship in universities and their effects on students' psychology and entrepreneurial abilities are analyzed. This research shows that scenario simulation methods are more effective than traditional methods and case studies in enhancing entrepreneurial skills. Additionally, the integration of human-computer interaction (HCI) in entrepreneurship education also plays a crucial role in enhancing students' creativity and leadership skills (Wang et al., 2021)

Social and environmental support play an important role in influencing an individual's career choices. Research shows that support from social values significantly affects students' career choices in accounting. Social values such as opportunities for interaction, personal satisfaction, and attention to individual behavior contribute to motivation and career decisions (Listiana, 2020). Another study reveals that the work environment, professional training, and professional recognition simultaneously have a positive impact on student's career choices as public accountants, with social values standing out as an important factor in these decisions. Environmental factors, particularly professional training, were also found to have a strong influence. Training provided before and during employment allows students to acquire the necessary skills, which in turn supports their career choices in more practical and professional fields (Listiana, 2020).

Perceptions and stigma have a significant influence on an individual's career choices, particularly in the nursing and psychiatry professions. In a study of high school students, it was found that although many had a positive view of the nursing profession, few were interested in choosing a career in this field. Gender-related stigma and the perception that nursing is a low-status job often hold students back from choosing this career (Che Hasan et al., 2020). Additionally, in the context of psychiatric nursing, stigma related to mental illness and negative perceptions of psychiatric nursing have decreased nursing students' interest in making it their career choice. However, after participating in theoretical courses and clinical practice, their attitudes became more positive, which in turn increased the number of students considering psychiatry as one of their main career choices (Duman et al., 2017).

Work experience plays a crucial role in shaping students' career expectations through the enhancement of self-efficacy in career decision-making. This self-efficacy consists of five sub-factors, all of which have been proven to be significant and positive mediators in the relationship between work experience and career expectations. In other words, the more work experience students have, the higher their level of self-efficacy in making career decisions, which in turn strengthens their expectations for their future careers. These findings highlight the importance of integrating work or internship experiences with academic learning to support students' readiness in making confident and well-directed career decisions (Liu et al., 2023). Other research shows that work practice not only provides students with technical knowledge but also helps them develop a better understanding of their career potential,

demonstrating a positive correlation between work practice experience and job readiness (Kusnaeni et al., 2016).

Students' career aspirations have a strong influence on their career choices. Studies have shown that high career aspirations often drive students to choose more ambitious and competitive professions to realize their personal hopes and goals. For example, students with high aspirations tend to be more motivated to take positions that offer opportunities for career advancement and professional development (Rachmayanie et al., 2023). These aspirations shape initial career choices and influence how much students are willing to take risks and invest in further education or training to achieve their career goals. This tendency indicates that career aspirations affect not only decisions related to professional choices but also the overall career trajectory in the future (Rachmayanie et al., 2023).

Despite the growing body of literature on career choice, previous studies have reported inconsistent findings regarding the determinants of entrepreneurial and employment decisions. From an economic perspective (Douglas & Shepherd, 2002), explains that career choice is driven by utility maximization, where individuals evaluate income, risk, independence, and work effort as key determinants. Their findings show that risk tolerance and preference for independence significantly influence entrepreneurial intention, while income and work effort are not consistently significant (Douglas & Shepherd, 2002).

However, this perspective is not fully consistent with more recent developments in career decision-making literature (Gati & Kulcsár, 2021). According to, career decisions are complex processes influenced not only by economic considerations but also by psychological readiness, information availability, and social pressures. In particular, the role of significant others such as family and peers may both support and conflict with individual preferences, creating decision-making difficulties and inconsistencies in outcomes (Gati & Kulcsár, 2021).

These contrasting perspectives indicate a fundamental inconsistency: while economic models emphasize rational evaluation of job attributes, contemporary career theories highlight cognitive, emotional, and social complexities in decision-making. Furthermore, prior studies tend to examine entrepreneurial intention or employment choice separately, without considering them as competing alternatives within a single analytical framework. This fragmentation limits a comprehensive understanding of how individuals simultaneously evaluate multiple career options.

Therefore, this study addresses these gaps by integrating economic and psychological perspectives into a unified model and simultaneously analyzing dual career choices using a PLS-SEM approach. By doing so, this research provides a more comprehensive and empirically robust explanation of career decision-making.

REVIEW OF LITERATURE

Career Aspiration

Career aspirations refer to the goals or ambitions individuals hold regarding their careers. These aspirations play a crucial role in guiding both career planning and long-term career exploration. Research indicates a positive correlation between career aspirations and future career achievements and success during adulthood (Sawitri et al., 2014). For students, having clear career aspirations is essential, as it significantly influences their future career success. The phase of emerging adulthood is particularly important for students as they develop their self-perceived employability skills. Furthermore, the formation and regulation

of career aspirations assist individuals in achieving the career goals they have set for themselves (Schoon & Polek, 2011). Overall, fostering strong career aspirations can empower students to navigate their career paths effectively and realize their professional objectives.

Theory of Interest

Crow and Crow's (1956) theory emphasizes the significance of interest and attitude in shaping an individual's behavior. They posit that interest is an internal drive that propels an individual towards a particular object or activity, while attitude is a person's evaluation of an object, person, or idea. These two concepts are interconnected and develop over time, influenced by an individual's experiences. A strong interest can foster a positive attitude, and vice versa. Additionally, Crow and Crow note that while interests are often consciously recognized, attitudes can operate subconsciously, influencing behavior without the individual's full awareness. In essence, understanding interests and attitudes provides insights into why people behave the way they do and how to influence their behavior (Crow & Crow, 1956).

The Influence of Interests on Career Decisions

The research by (Pandiangan et al., 2025) on problem-based STEM learning demonstrates that this teaching method can enhance students' interest in STEM fields and foster positive attitudes toward these subjects. This aligns with Crow and Crow's theory, which suggests that positive learning experiences, such as problem-based STEM learning, can increase interest and cultivate positive attitudes toward a particular field. Engaging and real-world-oriented problem-based STEM learning can cultivate students' interest in STEM fields. This heightened interest then motivates students to be more active in learning and exploring STEM concepts in greater depth. Through challenging and collaborative problem-solving activities, students can develop positive attitudes toward STEM learning. They gain more confidence in their ability to understand complex concepts and solve problems. This positive attitude subsequently motivates them to continue learning and growing. In the context of this research, problem-based STEM learning can be seen as an experience that can trigger changes in students' interest and attitudes toward STEM. In other words, this positive learning experience can transform how students perceive and interact with STEM fields, making them more interested and motivated to learn.

Theory of Social Learning

A literature review on Bandura's Social Learning Theory & Social Cognitive Learning Theory by (Nabavi & Sadegh Bijandi, 2012) posits that individuals acquire knowledge and skills primarily through observation and imitation of others. Rather than learning exclusively from personal experiences, individuals learn by observing those around them, particularly those they perceive as role models. This theory not only emphasizes the act of mimicry but also involves cognitive processes such as attention, retention, and motivation. Individuals are more likely to replicate a behavior if they pay attention to it, remember the actions involved, and are motivated to perform the behavior. In essence, this theory suggests that human learning is influenced not only by the physical environment but also by the social environment and the cognitive processes that occur within individuals.

The Influence of Social Learning on Career Decisions

Yunus, et al (2024) on Krumboltz's Social Learning Theory provides a comprehensive framework for understanding the career decision-making process. It highlights that career

choices are influenced not only by internal factors such as interests and abilities but also by external factors like learning experiences, social interactions, and chance events. Learning experiences, both formal and informal, shape individuals' perceptions of various occupations. The family environment, peer groups, and society at large also exert significant influence. Unexpected events can alter the course of one's career, and skills such as curiosity and flexibility are crucial for seizing opportunities. Thus, career counselors can assist clients with a holistic approach, considering the various factors influencing career choices, and equipping clients with the necessary skills to make informed decisions (Yunus et al., 2024)

Theory of Motivation

McClelland's framework (Acquah et al., 2021) focuses on the creation and development of new needs. He proposed that the dominant motivator varies based on an individual's cultural background and life experiences. The three motivators are as follows:

1. Achievement

The drive for achievement reflects a desire to excel independently by mastering tasks, concepts, or people. It also involves building self-esteem through the effective use of personal talents.

2. Affiliation

The need for affiliation is centered on forming strong social connections, experiencing a sense of belonging, and being liked by others. People with this motivation value teamwork but may not perform as well in leadership roles.

3. Power

The need for power involves a desire to control one's own work or the actions of others. Those motivated by power seek leadership roles, strive to assert their ideas, and aim to enhance their status and influence.

The Influence of Motivation on Career Decision

Motivation plays a crucial role in influencing an individual's career choice, as reflected in the study's findings on why students choose dentistry as a profession (Toit et al., 2014). The results reveal that motivations are both practical and altruistic in nature—such as the desire for a flexible work schedule that allows time for family life, and the aspiration to help underprivileged communities. These motivational factors significantly shape students' decisions to pursue dentistry. Moreover, the study found a strong correlation between altruistic motivation and admissions processes that include personal interviews or motivational essays, indicating that when institutions assess applicants' motivations, they are more likely to admit students with a strong sense of social responsibility. This suggests that motivation is not only central to career choice but can also be shaped and nurtured through institutional policies and selection criteria.

Family System Theory

The Research conducted discusses the similarities and complementarities between family systems theory and attachment theory (Rothbaum et al., 2002). Two areas of convergence are noted: (a) the description by family systems theorists of an overly close or "enmeshed" mother-child dyad, which attachment theorists conceptualize as the interaction of children's ambivalent attachment and mothers' preoccupied attachment; (b) the description of the "pursuer-distancer" cycle of marital conflict according to family systems theory, which attachment theorists interpret as the interaction between preoccupied and dismissive partners. This abstract also briefly reviews evidence from family systems theory and more extensively discusses evidence from attachment theory, as well as examining cross-cultural research that

suggests the dynamics described by both theories reflect typical Western patterns of thinking and relating. Findings from Japan indicate that extremely close ties between mother and child are perceived as adaptive and more common, with children in Japan experiencing fewer negative effects than those in the West. Furthermore, in Japan, there is less emphasis on the importance of exclusive spousal relationships and a reduced need for parents to find time alone to rekindle romantic feelings and resolve conflicts through open communication. Thus, the "maladaptive" patterns often cited by Western theorists regarding the close mother-child relationship and unromantic, conflictual marriages may function quite differently in other cultures. While the integration of these two theories is believed to enrich understanding, the authors caution against applying either theory outside of the cultures in which they were developed.

The Influence of Family on Career Decision

Research conducted has shown that careers are a multidimensional aspect of modern society that must be considered, with the complex process of career selection occurring during high school and university ages, often leading to psychosocial stress (Koçak et al., 2021). This study explores both individual and environmental factors together, employing a quantitative research method by collecting cross-sectional data from 1,130 university students through online questionnaires. The results reveal a significant relationship between family influence and academic satisfaction and happiness through career decision self-efficacy, controlling for variables such as gender, age, income, and parental education. It was found that family support and influence, as well as academic satisfaction, positively contribute to career decision self-efficacy and happiness, emphasizing the importance of viewing career realities holistically, encompassing family, school, and work experiences.

Choosing Entrepreneurship as a Career

The research conducted shows the dimensions of entrepreneurial intentions are explained through Shapero's model of the entrepreneurial event, which includes three key components: perceived desirability, perceived feasibility, and propensity to act (Krueger, 1993). Perceived desirability refers to the extent to which an individual finds the idea of starting a business attractive and emotionally rewarding. Perceived feasibility reflects the individual's belief in their own ability and available resources to successfully launch a business, including knowledge, confidence, and perceptions of potential obstacles. These two perceptions form the foundation of one's intention to become an entrepreneur. The third dimension, propensity to act, represents an individual's tendency to take action on opportunities, indicating the volitional component or willingness to commit to a decision. Entrepreneurial intention itself is defined as a personal commitment to starting a new business and is measured through explicit questions about one's likelihood of doing so in the future. The study emphasizes that prior entrepreneurial exposure—both in terms of quantity and quality—indirectly influences entrepreneurial intention through its impact on perceived desirability and feasibility. Thus, these dimensions interact to shape and explain how individuals form intentions to start a business, and how those intentions are affected by experience and personal characteristics such as the willingness to act.

Based on the research conducted by (Syahran & Indarwati, 2024) on the influence of entrepreneurship education, self-efficacy, and perceived desire on entrepreneurial intentions, it can be concluded that entrepreneurship education has a positive and significant effect on students' self-efficacy in Tarakan City, which in turn contributes to the enhancement of entrepreneurial intentions. This study also demonstrates that the higher an individual's level

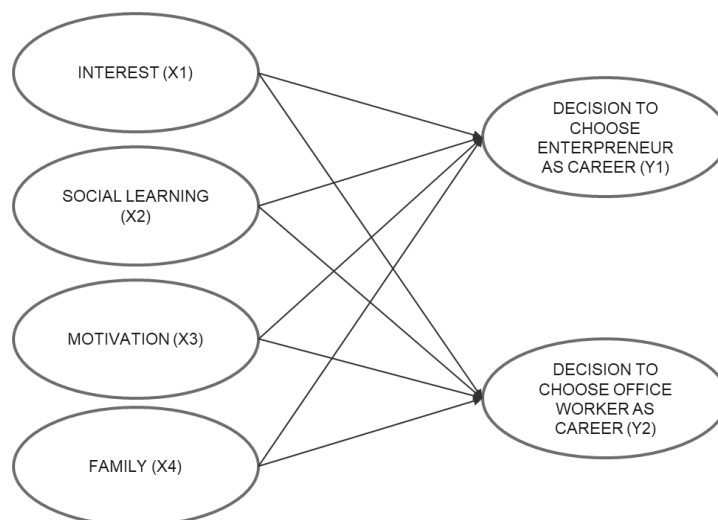
of self-efficacy, the greater their entrepreneurial intentions. Additionally, perceived desire plays a crucial role in increasing entrepreneurial intentions, as the greater the desire felt, the higher the intention to engage in entrepreneurship. Therefore, it is essential for students not only to focus on seeking employment but also to develop their creativity and entrepreneurial skills. Furthermore, future researchers are encouraged to expand upon this study by adding relevant variables or indicators and utilizing improved research models to obtain more accurate and valid results. Universities also play a key role in enhancing entrepreneurship education and motivating students to develop their entrepreneurial intentions.

Choosing Office Worker as a Career

The decision-making process in career choices is profoundly influenced by the principles of Person-Environment (P-E) Fit Theory, which posits that optimal outcomes are achieved when there is congruence between an individual's characteristics and their work environment. This alignment encompasses various dimensions, such as values, personality traits, abilities, and interests, which interact with the organizational culture, job demands, and role expectations. When individuals select careers or organizations that align closely with their attributes, they are more likely to experience higher job satisfaction, engagement, and performance, as well as lower levels of stress and turnover. Conversely, a misalignment can result in decreased productivity and a diminished sense of well-being. Thus, the P-E Fit Theory underscores the importance of self-assessment and environmental analysis in career decision-making, advocating for a holistic approach that considers both personal and contextual factors.

As explained in (Cooman & Vleugels, 2022), The concept of Person-Environment (PE) Fit originates from interactional psychology, which emphasizes the importance of the interplay between individual attributes and the environment as the primary driver of human behavior. In PE fit research, the environment can take various forms, with organizational settings being a key focus. PE fit is defined as the compatibility between individuals and the characteristics of their work environment, encompassing the alignment of personal needs, values, goals, abilities, and personality with the demands, resources, values, and culture of the organization. Since its introduction in the mid-1970s, the concept has been widely accepted and evolved into a robust research framework applied across fields such as applied psychology, vocational psychology, and human resource management. From an individual perspective, PE fit is regarded as a desirable and rewarding experience, particularly when compatibility exists across multiple dimensions, such as with the job and the organization. However, from team, organizational, and societal perspectives, while PE fit offers significant benefits, high levels of fit may also pose risks, such as favoritism, conformity, and homogeneity, which can lead to organizational inertia and reinforce inequality. This underscores the importance of balancing the advantages and potential drawbacks of high levels of fit within the workplace context.

Figure 1. Research Framework



RESEARCH METHOD

This study is quantitative research with a causal associative approach. The research aims to determine the cause-and-effect relationships between independent variables (X1: Interest, X2: Social Learning, X3: Motivation, and X4: Family) and dependent variables (Y1: Decision to Choose Entrepreneur as Career and Y2: Decision to Choose Office Worker as Career). In this study, Smart PLS is employed to analyze how each independent variable influences career decisions (dependent variables) either simultaneously or partially. This approach also allows for evaluating the strength of influence and the significance of relationships between variables, including direct and indirect relationships. The study is relevant for testing complex theoretical models and provides empirical insights into the factors influencing career decision.

The population in this study consists of active students from the Faculty of Economics and Business at Universitas Muhammadiyah Pontianak who have completed the advanced entrepreneurship development course, totaling 251 students. The sampling method used is saturated sampling, meaning that the entire population is included as the sample. By involving all 251 students as research participants, this approach ensures comprehensive data collection and allows for a more accurate and representative analysis of the study's objectives.

The research instrument used in this study is a structured questionnaire designed to collect data from respondents. The questionnaire consists of several items that represent each variable, both independent and dependent, and uses a Likert scale for measurement, ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire items are adapted or developed from previous validated studies to ensure reliability and validity.

RESULTS AND DISCUSSION

RESULTS

The outer loading results indicate that most indicators have loading values above the recommended threshold of 0.70, demonstrating satisfactory indicator reliability. A few indicators with loadings slightly below 0.70 were retained as their inclusion did not adversely

affect the Average Variance Extracted (AVE) and Composite Reliability (CR), which remained above the acceptable thresholds.

Table 1. Outer Loading Measurement Model

Construct	Indicator	Outer Loading
Interest (X1)	X1.1	0.812
	X1.2	0.845
	X1.3	0.798
Motivation (X2)	X2.1	0.821
	X2.2	0.874
	X2.3	0.806
	X2.4	0.768
	X2.5	0.742
Social Influence (X3)	X3.1	0.754
	X3.2	0.801
	X3.3	0.779
Family Influence (X4)	X4.1	0.842
	X4.2	0.817
	X4.3	0.788
	X4.4	0.721
Entrepreneurial Career Choice (Y1)	Y1.1	0.861
	Y1.2	0.834
	Y1.3	0.807
Employment Career Choice (Y2)	Y2.1	0.803
	Y2.2	0.776
	Y2.3	0.748

The results demonstrate that all constructs meet the criteria for reliability and convergent validity. Composite Reliability (CR) values range from 0.861 to 0.912, exceeding the recommended threshold of 0.70. The Average Variance Extracted (AVE) values range from 0.674 to 0.761, indicating adequate convergent validity as all constructs explain more than 50% of the variance of their indicators. Discriminant validity was confirmed using the HTMT ratio, with all values below the threshold of 0.90, indicating that each construct is empirically distinct. Furthermore, multicollinearity assessment using Variance Inflation Factor (VIF) shows that all values are below 5.00, suggesting that collinearity is not a concern in the structural model.

Table 2. Construct Reliability and Convergent Validity

Construct	Composite Reliability (CR)	AVE
Interest (X1)	0.882	0.713

Construct	Composite Reliability (CR)	AVE
Motivation (X2)	0.912	0.674
Social Influence (X3)	0.864	0.680
Family Influence (X4)	0.898	0.689
Entrepreneurial Career Choice (Y1)	0.905	0.761
Employment Career Choice (Y2)	0.861	0.674

Discriminant validity was assessed using the Heterotrait-Monotrait ratio (HTMT). As presented in Table X, all HTMT values are below the recommended threshold of 0.90, indicating that each construct is empirically distinct from the others. The HTMT values range from 0.534 to 0.759, suggesting that the correlations between different constructs do not exceed the acceptable limit. These results confirm that discriminant validity is established, meaning that each construct captures phenomena that are not represented by other constructs in the model. Therefore, the measurement model demonstrates adequate discriminant validity and is suitable for further structural analysis.

Table 3. HTMT Ratio

Construct	X1	X2	X3	X4	Y1	Y2
X1	-					
X2	0.756	-				
X3	0.688	0.721	-			
X4	0.702	0.734	0.759	-		
Y1	0.625	0.701	0.589	0.604	-	
Y2	0.534	0.617	0.572	0.583	0.695	-

Multicollinearity was assessed using the Variance Inflation Factor (VIF). As shown in Table X, all VIF values range from 1.812 to 2.214, which are well below the commonly accepted threshold of 5.00. This indicates that there is no significant multicollinearity among the predictor constructs in the structural model. Furthermore, the relatively low VIF values suggest that each exogenous construct contributes uniquely to the model without excessive overlap with other constructs. Therefore, multicollinearity is not a concern, and the structural model can be considered stable and reliable for further analysis.

Table 4. Inner Model VIF Values

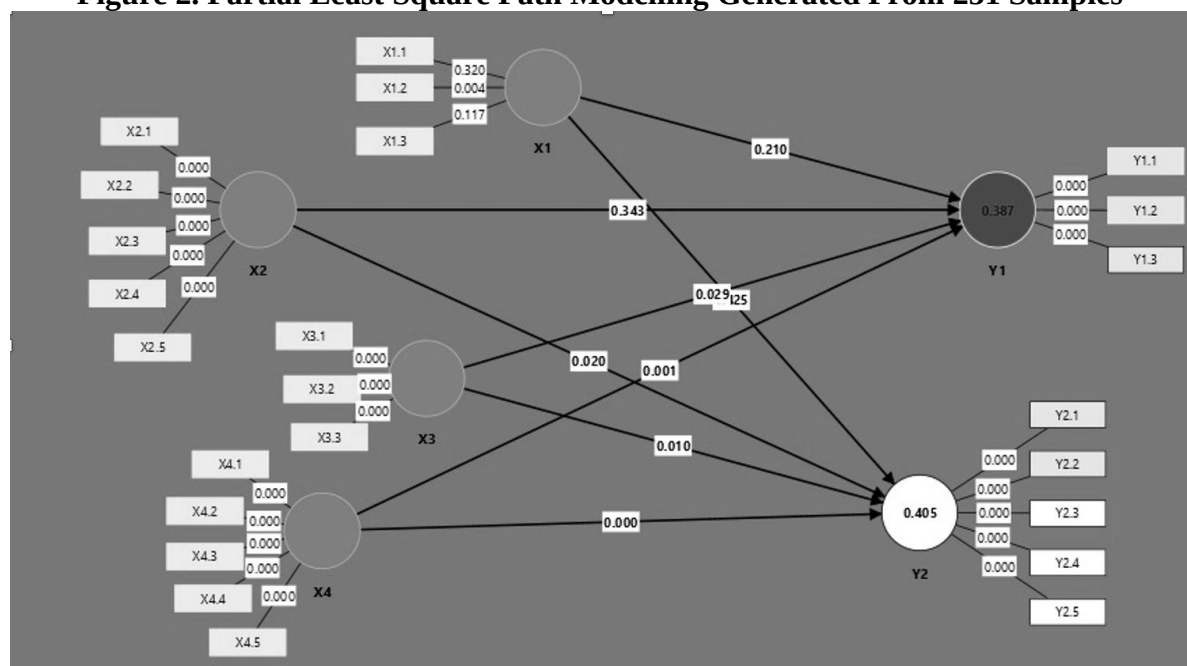
Path	VIF
X1 → Y1	1.903
X2 → Y1	2.214
X3 → Y1	1.812
X4 → Y1	1.976
X1 → Y2	1.903
X2 → Y2	2.214
X3 → Y2	1.812

Path	VIF
X4 → Y2	1.976

The PLS-SEM results indicate that motivation (X2) has the strongest influence on entrepreneurial career choice (Y1) with a path coefficient of 0.343, followed by interest (X1) with a coefficient of 0.210. In contrast, social influence (X3) and family influence (X4) show relatively weak effects. For employment career choice (Y2), all predictor variables exhibit very low coefficients, indicating that the model has limited explanatory power for this outcome.

The R² values show that the model explains 38.7% of the variance in entrepreneurial career choice and 40.5% in employment career choice, indicating moderate explanatory power. Overall, the findings suggest that internal factors play a more significant role in shaping entrepreneurial decisions, while employment choices may be influenced by other external variables not included in the model.

Figure 2. Partial Least Square Path Modelling Generated From 251 Samples



DISCUSSION

The findings of this study provide important insights into the determinants of career choice between entrepreneurship and employment among management students. The results indicate that motivation is the most dominant factor influencing entrepreneurial career choice, followed by interest, while social and family influences show relatively weak effects.

The strong effect of motivation on entrepreneurial career choice supports the motivation theory, which suggests that individuals with higher achievement needs and internal drive are more likely to pursue challenging and independent career paths. As highlighted in prior studies, motivation plays a central role in shaping career decisions, particularly when individuals seek autonomy, flexibility, and self-fulfillment. This finding is also consistent with the utility-based perspective, where individuals choose careers that

maximize their psychological and economic satisfaction, particularly in terms of independence and personal control.

Furthermore, the significant role of interest in influencing entrepreneurial choice reinforces the theory of interest, which posits that internal preferences and positive attitudes toward certain activities drive behavioral decisions. Individuals who have a strong interest in entrepreneurship are more likely to perceive it as desirable and rewarding, aligning with the concept of perceived desirability in entrepreneurial intention models.

In contrast, the relatively weak influence of social and family factors suggests that external pressures are less decisive in shaping entrepreneurial decisions in this context. This finding is particularly interesting, as previous studies have reported mixed results regarding the role of family influence in career decisions. While some research indicates that family support can enhance career decision self-efficacy, this study suggests that for management students, career choices—especially entrepreneurship—are more internally driven rather than externally imposed. This may reflect a shift in generational attitudes, where individuals prioritize personal aspirations over traditional expectations.

Another important finding is that all independent variables show very weak effects on employment career choice. This indicates that the model has limited explanatory power in predicting the decision to become an employee. One possible explanation is that employment is often perceived as a “default” or necessity-based option, influenced more by external economic conditions, job availability, and labor market dynamics rather than internal psychological factors. This aligns with the Person-Environment Fit theory, which emphasizes the importance of alignment between individual characteristics and job environments, suggesting that employment decisions may depend more on contextual compatibility than on internal motivation alone.

The moderate R^2 values further indicate that while the model provides a reasonable explanation of career choice, there are still other important factors not included in this study. Variables such as economic conditions, job security, work experience, and self-efficacy may play a significant role, as highlighted in previous research.

Overall, this study contributes to the literature by integrating economic and psychological perspectives in explaining dual career choices. Unlike previous studies that examine entrepreneurship or employment separately, this research demonstrates that the determinants of these two career paths are fundamentally different. Entrepreneurial choice is primarily driven by internal factors, while employment choice appears to be influenced by broader external conditions.

CONCLUSION

This study concludes that career choice between entrepreneurship and employment is primarily influenced by internal psychological factors, particularly motivation and interest. Motivation emerges as the most dominant factor in shaping entrepreneurial career decisions, followed by interest, indicating that individuals with strong internal drive and personal inclination are more likely to pursue entrepreneurship. In contrast, external factors such as social and family influence play a relatively limited role, suggesting that career decisions in this context are more individually driven. Furthermore, the findings reveal that the proposed model has limited ability to explain employment career choice, indicating that such decisions may be influenced by external conditions beyond the variables examined in this study. Overall, this research highlights that entrepreneurial and employment career choices are

shaped by fundamentally different determinants, with entrepreneurship being driven by internal motivations, while employment is likely influenced by broader contextual factors.

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