

# THE INFLUENCE OF INCOME EXPECTATIONS, ENTREPRENEURIAL KNOWLEDGE AND ENTREPRENEURIAL MINDSET ON THE INTEREST IN ENTREPRENEURSHIP OF CIVIL SERVANTS IN THE REGIONAL FINANCIAL AND REVENUE MANAGEMENT AGENCY OF JAMBI PROVINCE

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## Abstract

*This study investigates the influence of income expectations, entrepreneurial knowledge, and entrepreneurial mindset on entrepreneurial intention among civil servants at the Regional Revenue and Financial Management Agency (BPKPD) of Jambi Province, Indonesia. Employing a quantitative approach with a descriptive-verification design, the research utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) for data analysis, processed using SmartPLS 3.0. Data were collected through structured questionnaires from a purposive sample of 156 respondents, determined using Slovin's formula from a total population of 296. The findings reveal that all three independent variables exert a statistically significant and positive effect on entrepreneurial intention. Income expectation ( $\beta = 0.302$ ;  $t = 3.161$ ;  $p < 0.01$ ), entrepreneurial knowledge ( $\beta = 0.937$ ;  $t = 9.754$ ;  $p < 0.001$ ), and entrepreneurial mindset ( $\beta = 0.347$ ;  $t = 3.079$ ;  $p < 0.01$ ) significantly contribute to shaping entrepreneurial interest among civil servants. The model demonstrates a high explanatory power with an R-squared value of 0.976, indicating that 97.6% of the variance in entrepreneurial intention is explained by the model. These results underscore the importance of fostering entrepreneurial literacy, realistic income expectations, and a proactive entrepreneurial mindset in encouraging civil servant engagement in entrepreneurship. The study contributes to the literature by addressing a research gap concerning public sector entrepreneurship and provides practical implications for policy formulation aimed at promoting entrepreneurial development among state employees.*

**Keywords:** Income Expectation, Entrepreneurial Knowledge, Entrepreneurial Mindset, Entrepreneurial Intention, Civil Servants

## Introduction

In the modern economic era which is marked by acceleration globalization and digitalization, occur transformation fundamental in method individual view and manage source income. Dependency pattern single to income still, like wages as Civil Servants, increasingly abandoned. Increasing pressure economy, uncertainty of the future, and need for a better life prosperous push many civil servants for explore potential entrepreneurship as alternative or complement income. Phenomenon this reflect change paradigm, where civil servants do not only seen as apparatus bureaucracy, but also as actor potential in ecosystem dynamic informal economy.

Although thus, the transition from role conventional as civil servants towards role as entrepreneur No happen in a way instant. Interest in entrepreneurship formed by interaction various factor psychological, social, and economic. In the context of this, expectation to potential income from activity business be one of determinant main. A civil servant who has hope tall to profit business tend own trend more big for start business. However, no all individual own same perception to potential financial this, so that required understanding more carry on about How expectation to form interest entrepreneurship among ASN.

On the other hand, knowledge about entrepreneurship is prerequisite important in to form readiness and confidence for start business. Knowledge This covering understanding on draft business, marketing strategy, management risk , up to management source power . Although a number of agency government has provide training entrepreneurship for its employees, participation and utilization not yet evenly. This means that it is not yet all civil servants have access or motivation For deepen understanding entrepreneurship , which ultimately influential to decision they For entrepreneurship .

In addition , the entrepreneurial mindset factor namely method a view that reflects courage take risk , innovation and resilience in face uncertainty participate determine interest somebody in undergo business independent . In the environment bureaucracy that often offers a comfort zone and stability, not all civil servants have mentality strong entrepreneurship. Therefore that's important for to browse how is this mindset formed and to what extent it is influence the tendency of civil servants to become perpetrator business.

Although interest entrepreneurship has become Topic sufficient study wide, part big study previously focused on population students, UMKM actors, or public general. Studies that are specific highlighting civil servants especially in the environment work that plays a role strategic in management finance area is still very limited. This creates a significant research gap, considering that civil servants have characteristics

unique from side income fixed, stability work, and exposure to opportunity economy through government programs.

Emptiness This become the more relevant For filled , especially in context improvement capacity and independence of ASN in the midst of challenge Industrial Revolution 4.0 and the shift structure economy going to digitalization . Within the framework regulations that allow civil servants to develop potential self, including in form activity economy, needed a comprehensive study for understand driving factors and also hinder they in entrepreneurship. Moreover again, when involvement in entrepreneurship No only impact on welfare individuals, but also contribute to strengthening economy local.

Study this carried out at the Management Agency Regional Finance and Revenue Agency (BPKPD) of Jambi Province, a institutions that have function important in management fiscal area. Based on observation early , found existence diversity in interest entrepreneurship among employee agency this — start from those who have operate business side until the one that hasn't show interest. Variation this become base important for to study factors determinants that influence interest the in a way more in.

With Thus, research This own urgency theoretical and practical for fill in gap research that is still ongoing open and giving contribution to the literature entrepreneurship, in particular in context apparatus civil state. In addition, studies This offering novelty with unite three variable main expectations income, knowledge entrepreneurship, and entrepreneurial mindset for analyze its influence to interest civil servant entrepreneurs, who have not lots explored in study previously. It is expected results study this can become runway for formulation policy further development of ASN adaptive, innovative and independent in a way economy.

**Methods**

Study this use approach quantitative with type study descriptive-verifiable for test connection causal between expectation income, knowledge entrepreneurship, and entrepreneurial mindset to interest entrepreneurship. Population in study this consists of from all Civil Servants in the Management Agency Regional Finance and Revenue Agency (BPKPD) of Jambi Province, totaling 312 people. Research sample determined use slovin's formula, so that obtained as many as 156 respondents as participant research. Data collection was carried out through distribution questionnaire structured with five- point likert scale, which was developed for measure each indicator variables. Data analysis was carried out with use Structural Equation Modeling approach based on Partial Least Squares (SEM-PLS) through device soft SmartPLS 3.0. SEM-PLS selected because capable handling research models complex with size sample relatively small and not demand assumption multivariate normal data distribution. Model evaluation was performed through outer model testing for measure validity convergent, validity discriminant, reliability constructs (composite reliability and cronbach's alpha), and inner model testing for evaluate strength connection between latent variables and values predictive model. This method rated relevant in test connection theoretical and predictive between construct, in line with objective development theory in study

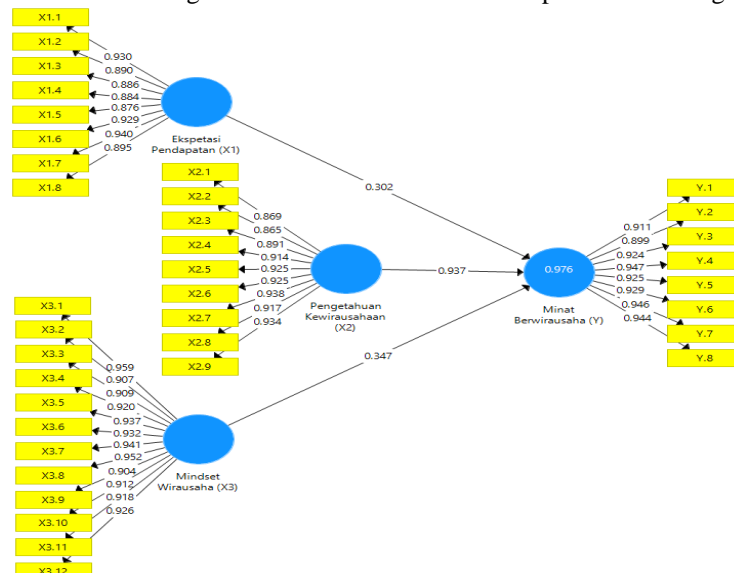
**Results and Discussion**

**Convergent Validity Testing**

Testing validity convergent is one of the type validity used For evaluate to what extent a instrument or tool measuring measure same construct with good . In the context of statistics and data analysis, especially in latent variable-based models such as *Partial Least Squares* (PLS), convergent validity is important to ensure that the indicators or items used in the model truly reflect the same construct.

**Loading Factor**

For know the results of the loading factor test can seen what about picture following:



**Figure 1. Research Model Calculation Results**

The image above is the initial step in answering research objectives number 1 to 7. In the image, it can be seen that all variable indicators have an outer loading value above 0.7, which indicates that each indicator has a strong relationship with the latent variable it measures.

### Reliability Test

Composite reliability test was conducted for know value indicating to what extent a tool measuring can trusted For used. (Wiyono , 2011) All variable is declared reliable if The loading value is above 0.70. The composite reliability value of each variable can seen in table 1 as following:

**Table 1. Composite Reliability**

Variables	Composite Reliability
Expectations income (X1)	0.973
Knowledge entrepreneurship (X2)	0.977
Entrepreneurial mindset (X3)	0.986
Interest in Entrepreneurship (Y)	0.980

Source : Data Processing with PLS, 2025

Based on Table 1 *Composite reliability* test results show that mark all over variable can said to be reliable because own composite reliability value is higher big from 0.70.

### Inner Model Evaluation

Inner model evaluation is carried out with bootstrapping test which produces mark coefficient determination of R square, Q square, and testing hypothesis. The results of the inner model evaluation are explained as following.

### Coefficient of Determination R Square

In assessing the model with PLS begins with look at R-Square for every dependent latent variable. Table 2 is results R-square estimation with use SmartPLS 3.

**Table 2. R-Square Values**

Variables	R-Square
Interest in Entrepreneurship (Y)	0.976

Source: Data Processing with PLS, 2025

Table 2 shows show R-Square value for Entrepreneurial Interest variable (Y), can concluded that this model own strength very high prediction. The R-Square value of 0.976 indicates that 97.6% of the variance in the Entrepreneurial Interest variable (Y) can be explained by the constructs in the model.

### Testing Hypothesis

Significance of the estimated parameters give very useful information about connection between variables research. The basis used in test hypothesis is values contained in the output result for inner weight. Table 3 provides the estimated output for structural model testing:

**Table 3. Results for Inner Weights**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Income Expectation (X1) -> Interest in Entrepreneurship (Y)	0.302	0.304	0.096	3.161	0.002
Entrepreneurial Knowledge (X2) -> Entrepreneurial Interest (Y)	0.937	0.938	0.096	9,754	0.000
Entrepreneurial Mindset (X3) -> Interest in Entrepreneurship (Y)	0.347	0.346	0.113	3,079	0.002

Source : Data Processing with PLS, 2025

In PLS testing in a way statistics every hypothesized relationship done with use simulation . In case This done Bootstrap method to sample. Testing with bootstrap ing is also meant for minimize problem research data abnormality. Test results with bootstrapping from PLS analysis is as following:

In the relationship between Expectations Income (X1) and Entrepreneurial Interest (Y), the T Statistics value is 3.161 and the P Value is 0.002. Because the P Value is less of 0.05, the hypothesis that claims existence influence Expectations Income towards Entrepreneurial Interest accepted. This shows that Expectations Income own significant influence toward Entrepreneurial Interest, even though its influence more moderate compared to with other variables.

Next, the relationship between Knowledge Entrepreneurship (X2) and Entrepreneurial Interest (Y) have The T Statistics value is 9.754 and the P Value is 0.000. With P Value is very low (far below 0.05), the hypothesis that claims that Knowledge Entrepreneurship Influencing Entrepreneurial Interest accepted very

significantly. This shows that Knowledge Entrepreneurship own very strong and significant influence towards Entrepreneurial Interest.

Lastly, the relationship between Entrepreneurial Mindset (X3) and Entrepreneurial Interest (Y) shows T Statistics value of 3.079 and P Value of 0.002. Since the P Value is less than 0.05, the hypothesis claiming that Entrepreneurial Mindset influences Entrepreneurial Interest is accepted. This indicates that Entrepreneurial Mindset also has a significant influence on Entrepreneurial Interest, although its influence is smaller compared to Entrepreneurial Knowledge.

## **Discussions**

### **The Influence of Income Expectations on Entrepreneurial Interest**

The results of the study indicate that the relationship between income expectation variables has a positive and significant effect on Entrepreneurial Interest. These results agree with research conducted by Agustin et al., (2020) and Noor & Anwar (2022) which states that income expectations have a positive and significant effect on Entrepreneurial Interest.

The influence of income expectations on Entrepreneurial Interest is because employees believe that income as an entrepreneur can exceed a fixed salary of an employee, considering that the risk of uncertain income is comparable to the potential for high results. They believe that a business that is run seriously can generate income above the average community, and believe that hard work and innovation will have a direct impact on increasing personal income. Freedom to manage working hours is considered a factor that can increase efficiency and income. In addition, they believe that the profits from the business are entirely their own, unlike the profit-sharing system in work as an employee. Belief in one's potential to create profitable business opportunities and optimism about the broad market and opportunities that continue to grow are the basis for the hope of obtaining significant income through entrepreneurship so that employees show a high interest in the business world, which is reflected in feelings of pleasure when thinking or talking about entrepreneurship and a sense of satisfaction and happiness when involved in these activities. They have a great curiosity about business activities or opportunities, and are encouraged to continue learning more about entrepreneurship. This interest is also shown through their habit of paying attention to information or news related to business, as well as following the development of business trends and opportunities in the surrounding environment. In addition, employees also have real experience, either by having been or currently being active in entrepreneurial activities, or being directly involved in business trials or practices even though they are still on a small scale.

Many employees see that a business that is managed seriously and with dedication can generate profits that exceed the average salary received from formal employment. This belief encourages the emergence of motivation to try entrepreneurship, especially because the business profits are entirely owned by the individual, without having to be shared as in the salary system in formal employment. In addition, the potential for freedom in managing working hours is also believed to increase efficiency, creativity, and ultimately have an impact on increasing income. Employees also see that hard work and innovation in the business world will have a direct impact on increasing personal well-being. These factors indirectly form a positive perception that entrepreneurship is a path to achieving higher income and a more financially independent life.

Furthermore, optimism about the vastness of the market and the ever-growing business opportunities also strengthens the high income expectations from entrepreneurial activities. Employees believe that by utilizing opportunities appropriately, they can create profitable and sustainable businesses. Self-confidence in one's potential in creating and managing business opportunities also encourages the desire to try entrepreneurship. This view shows that the higher the expectations of income from a business, the greater the interest in entering the world of entrepreneurship. This expectation also functions as a strong internal motivation, encouraging individuals to start learning, trying, and even starting a business, albeit gradually. Thus, positive income expectations are one of the important factors that can shape a person's attitude and intention to become an entrepreneur, because it is believed to provide better economic stability and improvement in the long term.

### **The Influence of Entrepreneurial Knowledge on Entrepreneurial Interest**

The results of the study show that the relationship between entrepreneurial knowledge variables has a positive and significant effect on Entrepreneurial Interest. These results agree with research conducted by Murwaningsih & Akbarini (2022) and Ritonga (2022) which states that entrepreneurial knowledge has a significant effect on Entrepreneurial Interest.

The influence of entrepreneurial knowledge on Entrepreneurial Interest is because employees have a good understanding of the meaning and basic purpose of entrepreneurship and realize the importance of information in finding and creating business opportunities. They understand that basic entrepreneurial knowledge can encourage interest in entering the business world, as well as being able to identify creative and innovative business ideas. Employees also know how to structure business ideas and have the ability to assess the feasibility of an idea or business opportunity. In addition, they understand important aspects of running a business, such as licensing, marketing, and financial management. Employees also realize that

entrepreneurship has obstacles and risks, but have understood how to anticipate them. In addition, they are aware that mature business planning is very important in order to achieve success in running the business so that employees show a high interest in the business world, which is reflected in feelings of pleasure when thinking or talking about entrepreneurship and a sense of satisfaction and happiness when involved in the activity. They have a great curiosity about business activities or opportunities, and are encouraged to continue learning more about entrepreneurship. This interest is also shown through their habit of paying attention to information or news related to business, as well as following the development of business trends and opportunities in the surrounding environment. In addition, employees also have real experience, either by having been or currently being active in entrepreneurial activities, or being directly involved in business trials or practices even though they are still on a small scale.

The knowledge possessed by employees, such as understanding the meaning and purpose of entrepreneurship, the importance of information in creating opportunities, to the ability to structure business ideas, provides confidence to start entrepreneurial steps. By understanding the ins and outs of entrepreneurship, employees feel more prepared and do not hesitate to face challenges that may arise in the business process. They are also able to assess the feasibility of business ideas, as well as understand important aspects such as financial management, licensing, and marketing. This knowledge provides a real picture of the business world that is not only risky, but also has a great opportunity for success if managed properly.

In addition, understanding the obstacles and risks that commonly occur in entrepreneurship and how to anticipate them makes employees more mentally resilient and ready to face market dynamics. Thorough business planning, obtained from entrepreneurship learning, also provides a sense of security and clear direction in running a business. This creates the perception that entrepreneurship is not just luck, but the result of a planned strategy and knowledge that can be learned. Therefore, more and more employees who have entrepreneurial knowledge feel encouraged to practice it, both on a small and large scale. This knowledge becomes a strong foundation that fosters interest in entrepreneurship because it can reduce the fear of failure and increase hope for business success. In other words, sufficient knowledge of entrepreneurship forms a positive mindset towards the business world and significantly increases interest in jumping straight into it.

### **The Influence of Entrepreneurial Mindset on Interest in Entrepreneurship**

The results of the study show that the entrepreneurial mindset variable has a positive and significant effect on Entrepreneurial Interest. These results agree with the research of Misbakhul Arrezqi (2022) and According to Nining Purwaningsih (2019) who said that the entrepreneurial mindset has a significant effect on Entrepreneurial Interest.

The influence of entrepreneurial mindset on Entrepreneurial Interest is because employee respondents show strong confidence in their ability to run and develop a business, and are not easily influenced by negative opinions of others in making business decisions. They actively seek information about potential business opportunities and have the ability to see opportunities in situations that others often do not realize. In the face of possible failure, employees are mentally prepared and still able to make decisions even in uncertain conditions. They act quickly when they see a profitable business opportunity and consistently carry out business plans without delay. In addition, employees are always looking for new knowledge to improve their entrepreneurial skills and learn from mistakes or failures they have experienced. By having clear long-term goals in entrepreneurship, employees also prepare strategic steps to realize the vision and goals of the business in a focused and sustainable manner so that employees show a high interest in the business world, which is reflected in feelings of pleasure when thinking or talking about entrepreneurship and a sense of satisfaction and happiness when involved in these activities. They have a great curiosity about business activities or opportunities, and are encouraged to continue learning more about entrepreneurship. This interest is also shown through their habit of paying attention to information or news related to business, as well as following the development of business trends and opportunities in the surrounding environment. In addition, employees also have real experience, either by having been or currently being active in entrepreneurial activities, or being directly involved in business trials or practices even though they are still on a small scale.

Employees who have an entrepreneurial mindset tend to be confident in their abilities, are not easily influenced by negative opinions, and are resilient to risk and uncertainty. This mindset creates the spirit to continue looking for opportunities, even if the opportunities are not clearly visible to others. In addition, an adaptive mindset makes employees act faster when they see profitable opportunities, and remain consistent in implementing plans even when facing challenges. The ability to learn from failure and develop strategies to achieve long-term goals is also a characteristic of a strong entrepreneurial mindset.

By having an entrepreneurial mindset, employees do not only see entrepreneurship as an alternative job, but as a means to realize their vision and full potential. They are accustomed to thinking creatively, innovatively, and have the courage to make decisions in uncertain situations. This mindset also encourages them to continue to improve their knowledge and skills through continuous learning. Employees with an entrepreneurial mindset realize that success in entrepreneurship does not come instantly, but through a

structured process, hard work, and perseverance. Therefore, when someone has a strong entrepreneurial mindset, the interest in actually running a business grows naturally, because they feel mentally, emotionally, and strategically ready. This mindset is the main driver in turning intentions into real actions in the world of entrepreneurship.

### **Conclusion**

This study confirms that income expectations, entrepreneurial knowledge, and entrepreneurial mindset significantly and positively influence entrepreneurial intention among civil servants at the Regional Revenue and Financial Management Agency of Jambi Province. Specifically, higher expectations regarding potential entrepreneurial income enhance interest in starting a business. Furthermore, a strong understanding of entrepreneurship encompassing business planning, financial literacy, and risk management substantially fosters the confidence to pursue business ventures. Finally, a proactive and resilient entrepreneurial mindset, characterized by self-efficacy, goal orientation, and innovation, significantly contributes to the emergence of entrepreneurial intention. Collectively, these factors account for 97.6% of the variance in entrepreneurial intention, indicating the robustness of the proposed model.

### **Recommendations**

Given the empirical evidence, it is recommended that government institutions implement structured capacity-building programs focusing on entrepreneurial skills, mindset cultivation, and income opportunity modeling. These initiatives should include practical training, mentoring by successful entrepreneurs, and policy support that accommodates entrepreneurial activities among civil servants. Furthermore, future research is encouraged to explore additional moderating or mediating variables such as organizational support, risk perception, or digital literacy to provide a more comprehensive understanding of public-sector entrepreneurship. Expanding the sample to include multiple government agencies and longitudinal designs may also enhance the generalizability and depth of insights regarding entrepreneurial behavior among civil servants.

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