The Influence of Digital Literacy, Educational Background, and Environment on Youth Entrepreneurial Decisions, Benowo District, Surabaya

Jordan andrean

17 August 1945 University Surabaya
E-mail:1272000037@mail.untag-sby.ac.id

Abstract

This study aims to determine the effect of Digital Literacy, Education Level, and Environment on Youth Entrepreneurial Decisions, Benowo District, Surabaya. The sample used in this study were 100 youth respondents in the sub-district of Benowo Surabaya with purposive sampling technique. This study was analyzed using the SmartPLS version 3 software. The results of this study indicate that digital literacy and the environment have a positive and significant influence on entrepreneurial decisions. While the level of education does not have a significant influence on entrepreneurial decisions.

Keywords: Digital literacy, education level, environment, business decisions

INTRODUCTION

One of the effective ways to overcome the number of unemployed is by way of entrepreneurship. It is recorded on the BPS website regarding the decrease in the Open Unemployment rate (TPT) in February 2022 by 5.83%, a decrease of 0.43% compared to February 2021 (BPS, 2022). It is no longer a public secret that unemployment is a problem for developing countries, including Indonesia. In addition to the COVID-19 pandemic, the availability of inadequate employment opportunities, an increase in the number of residents followed by an increase in the number of the workforce, has caused an increase in unemployment. As for the implementation of the Asean Economic Community (MEA), where the level of competition between Indonesian graduates and foreign universities is getting higher. The number of events reducing the workforce due to COVID-19 should be a trigger to start entrepreneurship. Entrepreneurship is one of the most appropriate solutions to be able to open up new jobs and can also improve the economy (Koe et al., 2015).

Being an entrepreneur means being a person who is able to turn obstacles into opportunities and present solutions to the surrounding problems. Thus the increase in competence and self-excellence must be increased to compete in this era of globalization (Suryana, 2013: 6). In general, basic knowledge about business and others is obtained from education in formal and non-formal schools such as Vocational High Schools (SMK) and trainings (Kemdikbud, 2018). However, not all people follow and pursue the field and knowledge of entrepreneurship in the end, they must choose to become entrepreneurs at this time.

The success of a business generally depends on entrepreneurial behavior as the main factor (Aina, et al 2018). Good entrepreneurial behavior makes entrepreneurs able to maintain the stability and sustainability of their business. On the other hand, an entrepreneur is unable to maintain the continuity of his business as a result of bad business behavior. In all fields, cognitive and behavioral variables have been shown to be strong and consistent with current mainstream entrepreneurial activities (Baron, 2007). In his observations, Wijaya revealed that entrepreneurship behavior is an act or statement regarding entrepreneurial decisions, actions that have been taken for business, and planning for future business development as measured by the scale of entrepreneurial behavior (Wijaya, 2008).

To realize a successful business, someone who is an entrepreneur must have the skills and characteristics that are embodied in the entrepreneurial personality. One of the entrepreneurial characteristics that must be owned by entrepreneurs is self-efficacy in running their business, an entrepreneur in running a business will be faced with a number of tasks and business problems that must be given a solution, to achieve the desired goal. Thus, an entrepreneur must have the ability and knowledge from a cognitive to technical level to run a business. In measuring the cognitive level in general, the first thing to look at is the level of education and training that has been taken. It is hoped that with a high level of knowledge, an entrepreneur becomes more confident and confident that he will be able to complete the various tasks or responsibilities he carries so that he can overcome all obstacles and achieve the expected goals with satisfactory results, which can be referred to as self-efficacy (Wardani, 2015). From the research of Novita Nurul Islami (2015) it is known that self-efficacy has a significant influence on entrepreneurial behavior. This makes self-efficacy a factor that participates in influencing the level of entrepreneurial behavior in a person. From the research of Novita Nurul Islami (2015) it is known that self-efficacy has a significant influence on entrepreneurial behavior. This makes self-efficacy a factor that participates in influencing the level of entrepreneurial behavior in a person. From the research of Novita Nurul Islami (2015) it is known that self-efficacy has a significant influence on entrepreneurial behavior. This makes self-efficacy a factor that participates in influencing the level of entrepreneurial behavior in a person.

Every business that is carried out with the right scientific basis will certainly produce higher success than a business that is run without any scientific basis. Thus entrepreneurship education is certainly able to improve

entrepreneurial behavior (Rauch and Hulsink, 2015). Entrepreneurship education has a significant influence on student entrepreneurial behavior, while the students studied came from the Islamic Banking Department of IAIN Salatiga. Knowledge of financial management can also be referred to as financial literacy (Latifiana, 2013). Good financial management knowledge is needed so that the decisions taken by business actors can create effectiveness and efficiency in managed businesses. Bryce and Jyoti (2010: 3) defines financial literacy as a relationship of three concepts, namely: financial knowledge, financial attitudes, and financial behavior. Zimmerer and Scarborough (2008:34) suggest that economic factors are one of the driving forces for a person to become an entrepreneur. With entrepreneurship, a person can get benefits that he can use to improve his life. While people who have the ability to manage personal finances well, of course, can manage finances for their business as well.

In recent years the internet has a close relationship with entrepreneurship which is often discussed in various business literatures. With good digital literacy, an entrepreneur is able to seize opportunities by using digital media, communication technology, and other information (Bayrakdaroglu, 2017). Digital literacy has been actively campaigned by the government through the Ministry of Education and Culture since 2014 because digital literacy is predicted as one of the components of the six basic literacys that must be mastered by everyone in the era of information technology as it is today because digital literacy is considered as one of the important factors for someone to become can participate in the modern world like other disciplines (Kemdikbud, 2017:1-3). Acquiring digital literacy competence is a prerequisite for expanding access to information and communication technology to increase the competitiveness of young people in the labor market (Shapova, 2014). Gilster (Kemdikbud, 2017:7) defines digital literacy as a person's ability to understand and use information from digital devices effectively and efficiently in their daily lives.

Son, et al (2017) in their research found that all participants were aware of digital technology and were interested in using it, and the development of digital technology was considered to make it easier for someone to learn or find information about something. It is also strengthened by the results of research from Bayrakdaroglu & Bayrakdaroglu (2017) which shows that digital literacy has a positive and significant influence on internet entrepreneurial intentions. Several studies show different results. In Tony Wijaya's research (2008) the direct effect of self-efficacy on entrepreneurial behavior was only -0.033 or not significant. Aina, et al (2018) conducted a study on the factors that influence entrepreneurial behavior in mompreneurs (entrepreneurial mothers) and the results showed that respondents' perceptions of (formal) education tended to be neutral (49%). Desiyanti (2016) also got the results that even though they have been educated, financial management behavior in MSMEs is still not good so that sustainable financial literacy education is needed. Based on the results of previous studies that showed differences between research results, the authors wanted to conduct a study entitled "The Effect of Self-Efficacy, Entrepreneurship Education,

Financial Literacy, and Digital Literacy on Entrepreneurial Behavior of Students of SMK Negeri 10 Surabaya".

METHOD

This study is a hypothesis testing so that this research is analyzed using a quantitative approach to inferential statistics which is correlational. Systematic scientific research on objective parts, phenomena, and their relationships obtained through scientific calculations from samples or populations selected as research respondents is referred to as quantitative research (Lusi, 2013). The purpose of this study was to determine the effect of digital literacy, educational background and the environment on youth entrepreneurial behavior in Benowo sub-district, Surabaya. The independent variable (independent) in this study is digital literacy as (X1), educational background as (X2), and environment as (X3), while the dependent variable is entrepreneurial behavior (Y).

Data analysis carried out in this study were descriptive statistical analysis and multiple linear regression analysis (hypothesis testing). The multiple linear regression analysis technique used is SEM-PLS because it aims to predict the relationship formed between variables and is supported by the reason that it does not pass the multivariate normality distribution test as a condition for using CB_SEM. According to Schumacker and Lomax (2010) the solution to overcome data that is not normally distributed is to remove outlier data and perform bootstrapping. Several solutions to overcome the data that are not normally distributed have been carried out but the result is that the model is rejected. Next up, Hair. et. al (2017) stated that SEM-PLS can be used as an alternative because SEM-PLS has strong statistical power (powerful) and does not require several assumptions such as data that must be normally distributed. There are three stages of analysis in SEM-PLS, namely: 1) Evaluation of the outer model (measurement); 2) Evaluation of the inner model (structural) and evaluation of the feasibility of the model.

The research instrument used in this study was in the form of tests and questionnaires. The data collection technique is by giving a number of questions and/or written statements to the respondents so that the respondents can provide answers to the questions and/or statements posed (Suliyanto, 2016). All questionnaires used in this study were measured using a four-point Likert scale. The four-point Likert scale is a modification of the five-point Likert scale. The modified Likert scale or hereinafter referred to as the 4-point Likert scale aims to avoid biased answers that may be given by respondents later.

RESULTS AND DISCUSSION

Table 1. Descriptive Statistics

No	Variable	Descriptive statistics	
		Average	TCR
1	Y (Entrepreneurial Decision)	50.75	78.7
2	X1 (Digital Literacy)	51.55	79.3
3	X2 (Education Level)	2.58	81.4
4	X3 (Environment)	49.32	79.4

In Table 2 it can be seen that the average respondent's answer to the Entrepreneurial Decision variable is 3.94% with a TCR value of 78.7% then digital literacy is51.55% with a TCR value of 79.3 % with a variable Educational Level of 3.94% with a TCR value of 81.4% and Environment of 3.97% with a TCR value of 79.3%. Based on the average acquisition and the TCR, it can be concluded that the respondent's level of achievement or understanding of the respondent's understanding of the topic under study is good.

Normality test

Based on the normality test of the data in the Amos program, it was found that the CR Kurtosis value of 180 was in the range of ±258 so that the data stated that the data were normally distributed. Furthermore, the data outlier test was carried out. Detection of outliers is done by taking into account the value of Mahalanobis Distance. The criteria used are based on the value of Chi-squares 2 (54; 0.001) = 91.87. Furthermore, the outlier data was removed and normality test was carried out again but the results were that the data had not been normally distributed. The next effort was carried out using the Bollen-Stine bootstrapping technique with a resampling number of 2000 and the results obtained were p = 0.082 which was greater than 0.005 so that the model was accepted.

SEM-PLS Analisis Analysis
First Stage Outer Model Test
Table 2. Validity and Reliability test results

	Uji Validitas Konvergen		Reliabilitas	Keterangan
	Composite Reliability	Average Variance Extracted (AVE)	Cronbach's Alpha	
Pengetahuan	0.893	0.807	0.762	Valid
Sikap	0.872	0.773	0.707	Valid
Keterampilan	0.810	0.591	0.645	Valid
Literasi Informasi Dan Data	0.807	0.585	0.637	Valid
Komunikasi dan Kolaborasi	0.755	0.609	0.367	Valid
Kreasi konten digital	0.853	0.744	0.655	Valid
Keamanan	0.787	0.552	0.597	Valid
Pemecahan Masalah	0.808	0.585	0.645	Valid
Kemampuan Menggunakan Hardware dan Software	0.804	0.580	0.638	Valid
Kemampuan terkait karir	0.818	0.603	0.668	Valid
Kemampuan komunikasi	0.845	0.646	0.724	Valid
Berpikir Kritis dan Inovatif	0.804	0.578	0.633	Valid
Kerja sama	0.828	0.618	0.687	Valid
Kemampuan Kepemimpinan	0.895	0.811	0.766	Valid
Karakteristik Pribadi	0.787	0.552	0.654	Valid
Kecerdasan Organisasi	0.850	0.656	0.680	Valid
Kecerdasan Sosial	0.895	0.811	0.734	Valid
Kompetensi Kerja	0.857	0.667	0.747	Valid

Figure 2 and Table 3 can be seen that the Composite Reliability value is > 0.7 then the AVE value is > 0.5 and the Cronbac'h Alpha value is dominated by a value > 0.6. So it can be concluded that the validity and reliability tests in the first stage have been fulfilled.
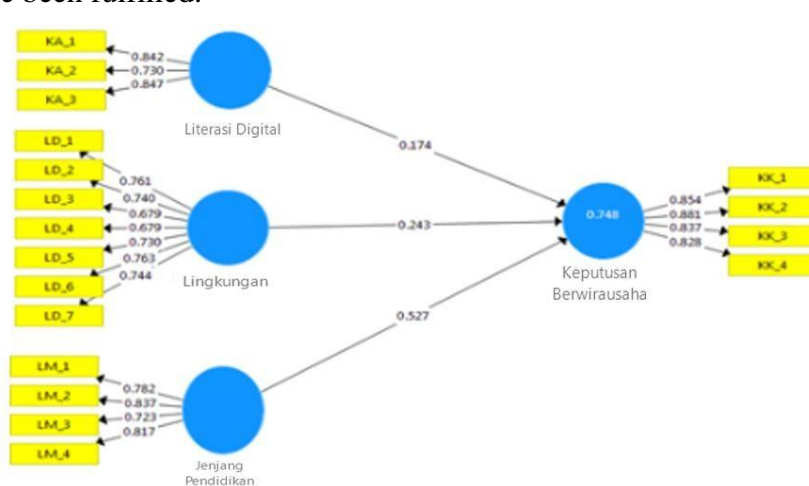

Figure 1. The Outer Model of the Second Stage

Figure 1 can be seen if the loading factor value of all dimensions has exceeded 0.5 so that it is stated that all measurement items are valid and worthy of being used as test tools. The next step to strengthen the validity is to look at the results of composite reliability and AVE which are presented in table 2.

Table 3. Results of Composite Reliability and AVE

No		Descriptive statistics		
	Variable	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (Ave)
1	Y (Entrepreneurial Decision)	0.849	0.731	0.653
2	X1 (Digital Literacy)	0.888	0.853	0.531

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3	X2 (Education Level)	0.870	0.800	0.626
4	X3 (Environment)	0.913	0.872	0.723

Table 3 can be seen that the Cronbach alpha value is > 0.7 and composite reliability is > 0.7 so that all variables are declared reliable (Hair et. al, 2017). Then in the AVE column all values are> 0.5 so that from all the tests carried out it can be concluded that the validity and reliability tests have been met.

Multicollection Test and Model Feasibility

Before testing the hypothesis, a multicollinearity test was carried out by looking at the value of the Inner VIF. Where the acquisition of Inner VIF scores for the Education Level, 2,179 digital literacy, 3,944 and Environment 2,904. Overall, the value of the Inner VIF in this study is below 5 so that it is free from multicollinear symptoms. Furthermore, the feasibility test of the model is shown by looking at the acquisition of the R Square value. The value of R Square in this study is 7.48%. This shows that the Entrepreneurial Decision variable can be explained by the variables of Education Level, digital literacy and Environment very well and shows a strong influence (Hair. et.al, 2017)

Inner Model Test Results (Hypothesis Test)

Table 4. Partial Hypothesis Testing

No	Variable	Original Sample (O)	T Statistics (O/STDE)	P Values	Information
1	Digital Literacy-> Entrepreneurial Decision	0.174	4.073	0.000	Significant
2	Educational Level-> Entrepreneurial Decision	0.243	4,325	0.000	Significant
3	ENVIRONMENT-> Entrepreneurial Decision	0.527	11,732	0.000	Significant

Table 5 can be seen and interpreted that "Digital literacy has a positive effect on Entrepreneurial Decisions as much as 17.4% and is significant with a statistical T value (4.073> 1.96) and p Value (0.000 <0.05). So it can be interpreted that the hypothesis is accepted. Furthermore, education level has a positive effect on Entrepreneurial Decisions as much as 24.3% and is significant with a statistical T value (4.325> 1.96) and p Value (0.000 <0.05). So it can be interpreted that the hypothesis is accepted and the environment has a positive effect on Entrepreneurial Decisions as much as 52.7% and is significant with a statistical T value (11.732> 1.96) and p Value (0.000 <0.05). So it can be interpreted that the hypothesis is accepted.

Table 5. Concurrent Hypothesis Testing

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	71.830	3	23.943	138.826	.000b
	Residual	64.159	372	.172		
	Total	135.989	375			

Based on Table 4, it can be seen that the significant value is less than 0.005, namely (0.000). It can be interpreted that together the level of education, digital literacy and the environment have an influence on Entrepreneurial Decisions, so it can be concluded that the hypothesis is accepted. Accounting students (Pemuda Benowo sub-district) in the city of Padang believe that having a level of education will encourage the level of entrepreneurial decisions they have. Moreover, in the era of digital technology disruption that demands everything in real-time. Thus, the level of education is one of the basic provisions that must be possessed by the youth of Benowo sub-district to be able to work in the midst of the threat of disruption. This is in line with the statement in the theory of RBV (Resources Based View). That the company or employer is interested in individuals who are able to add value to the company and have extraordinary expertise. The results of the analysis of this study are inconsistent with the results of Paharyani's research (2019) which states that the level of education has no direct influence on entrepreneurial decisions, however, the results of this study are consistent with Latifah's research (2020 which reveals that the level of education has a positive and significant influence in encouraging entrepreneurship). Entrepreneurial Decision. In the era of digital technology disruption, everything becomes faster and more efficient. So, if the youth of Benowo sub-district do not adapt to the changes that occur, they will be disrupted. Given, Companies or employers are attracted to individuals who are able to add value to the company and have extraordinary expertise. This is in line with the RBV theory which emphasizes the maximum use of internal resources in achieving long-term benefits.

The results of this research analysis are consistent with the results of Lestari and Arif's (2019) research and Almi's (2020) research which states that digital literacy has a significant influence on Entrepreneurial Decisions. The phenomenon of disruption that has occurred has changed everything, including lifestyle, learning methods and even the company's business model. So, to be able to work successfully in the era of disruption, the youth of the Benowo sub-district must equip themselves with environmental capabilities. This opinion is supported by the statement of Bowles, M., et.al (2020) that "graduates or scholars must complete their technical abilities with non-technical abilities to be able to get a professional accountant job or career" and one of these non-technical abilities is the ability to Environment. The above statement is in line with the points confirmed in the RBV (Resources Based View) theory. Where, to achieve competitive advantage, companies need workers who have unique, creative and not easily replaced skills. The results of this research analysis are inconsistent with the results of Ahmad's research (2020) which states that the environment (communication skills, leadership) has no effect on Entrepreneurial Decisions. Furthermore, the results of this study are consistent with the results of research by Lestari and Arif (2019), Anggresta (2019) and rahmat (2020) which state that the environment has a significant influence on entrepreneurial decisions. creative and not easily replaced. The results of this research analysis are inconsistent with the results of Ahmad's research (2020) which states that the environment (communication skills, leadership) has no effect on Entrepreneurial Decisions.

Furthermore, the results of this study are consistent with the results of research by Lestari and Arif (2019), Anggresta (2019) and rahmat (2020) which state that the environment has a significant influence on entrepreneurial decisions. creative and not easily replaced. The results of this research analysis are inconsistent with the results of Ahmad's research (2020) which states that the environment (communication skills, leadership) has no effect on Entrepreneurial Decisions. Furthermore, the results of this study are consistent with the results of research by Lestari and Arif (2019), Anggresta (2019) and rahmat (2020) which state that the environment has a significant influence on entrepreneurial decisions.

Accounting students (Pemuda Benowo sub-district) in Padang City believe that having the ability to have an education level, which is strengthened by digital literacy skills and equipped with environmental capabilities, is able to encourage the level of entrepreneurial decisions they have. This is in line with the points emphasized in the RBV (Resources Based View) theory. Where, employers (companies) in achieving competitive advantage require and recruit workers who have unique, creative and not easily replaced skills. Furthermore, the results of this research analysis are consistent with the results of research by Latifah (2020) and then Lestari and Arif (2019) which states that the level of education, literacy, digital and the environment has a significant influence on Entrepreneurial Decisions.

CONCLUSION

Based on the theory and findings from the research results that have been discussed previously, it can be concluded that: first, partially, there is a significant positive influence on the level of digital literacy education and the environment on Youth Entrepreneurship Decisions in the Benowo sub-district in the era of digital technology disruption. , digital literacy and the environment on Youth Entrepreneurship Decisions in Benowo sub-district in the era of digital technology disruption. The results of this study are expected to motivate the career spirit of accounting students, especially by preparing themselves through increasing the level of education supported by digital literacy skills and equipped with environmental capabilities. It is hoped that for future researchers, can provide justification in determining sample criteria, for example: the semester limit that is the subject of the study so that the interpretation of the data is more accurate. Then, adding data collection techniques with interviews so that the data is more accurate and the analysis is deeper. Then, it is expected to be able to perform statistical analysis using other statistical test tools, for example, CB SEM with the Amos program or other programs.

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