



## Exploring the Drivers of Entrepreneurial Behavior: A Systematic Literature Review

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### Abstract

**Introduction:** Entrepreneurship significantly contributes to a nation's economy by creating new opportunities. The increase in the number of entrepreneurs generates employment, reduces unemployment, and enhances societal welfare. In Indonesia, the interest of the younger generation in entrepreneurship is evident, with data from the Central Bureau of Statistics (BPS) indicating that as of February 2024, approximately 56.56 million people, or 37.86% of the national workforce, are engaged in entrepreneurial activities. The development of entrepreneurship is crucial for achieving sustainable economic growth and social advancement in the future. This study aims to identify the factors influencing entrepreneurial behavior in Indonesia.

**Research Method:** The methodology this research is a systematic literature review, which enables researchers to identify and analyze various factors contributing to entrepreneurial success.

**Finding/Result:** The findings from this study can serve as a foundation for future research aimed at further exploring and developing strategies for entrepreneurship development in Indonesia, with the hope of contributing to sustainable economic growth and social progress.

**Keyword :** entrepreneurship, entrepreneurial behavior, systematic literature review

## INTRODUCTION

Entrepreneurial behavior has increasingly garnered attention among academics, practitioners, and policymakers due to its critical role in driving economic progress. Entrepreneurship is believed to contribute significantly to job creation, economic growth, and innovation—elements necessary to compete in today’s dynamic global market. In Indonesia, entrepreneurial potential is rising, as evidenced by a steady increase in the number of entrepreneurs each year. According to the National Statistics Agency (BPS), as of February 2024, approximately 56.56 million people—representing 37.86% of the national labor force of 149.38 million—are engaged in entrepreneurial activities. This statistic reflects a growing involvement in entrepreneurship, particularly among younger generations. This trend underscores the potential of entrepreneurship as a primary driver for enhancing national competitiveness on an international scale, thus supporting the achievement of sustainable economic targets.

Entrepreneurial behavior, encompassing the attitudes and actions underpinning entrepreneurial processes, involves various activities that enable entrepreneurs to recognize business opportunities, manage risks, innovate, and make strategic decisions. As Hu (2022) asserts, the ability to leverage opportunities and engage in strategic competition is vital for achieving sustained business success. Entrepreneurial behavior also entails intrinsic motivations such as the need for achievement, desire for freedom and autonomy, and the fulfillment of self-potential. Moreover, this behavior is influenced by a broader interaction between internal factors—such as individual characteristics and skills—and external factors, including social support, government policies, and access to resources. Thus, understanding how entrepreneurial behavior is formed and develops requires an in-depth identification of these influencing factors.

However, research on the factors influencing entrepreneurial behavior remains fragmented. Various studies have identified key factors shaping entrepreneurial behavior, yet these findings often stand alone without comprehensive integration. For example, Syam et al. (2020) found that entrepreneurial behavior includes individual characteristics and specific capabilities essential for business success, while Blue and Kamanda (2021) emphasize the role of internal motivation and skills supporting entrepreneurial success. Other research by Varamäki et al. (2015) found a decline in entrepreneurial intent among students over time,

highlighting the need for sustained support to bolster young people's entrepreneurial motivation. Additionally, environmental factors, including policy support and access to finance, are also critical in fostering entrepreneurial initiatives (Arnis & Baga, 2018). The complexity and diversity of these research findings indicate a need for a more structured approach to gaining a comprehensive understanding of the factors that shape entrepreneurial behavior.

The Systematic Literature Review (SLR) approach provides a relevant and effective method for addressing the fragmentation in literature on entrepreneurial behavior. Through this method, research can systematically identify, analyze, and categorize existing empirical evidence regarding the factors influencing entrepreneurial behavior. SLR enables the synthesis of findings from multiple studies, evaluating their quality and relevance, and ultimately integrating these insights into a holistic framework (Mengist et al., 2020). Accordingly, this study aims to develop a conceptual framework of the main factors influencing entrepreneurial behavior, considering both internal factors, such as motivation and individual skills, and external factors, such as social environmental influences and policy support.

This SLR will focus on specific objectives, including: first, identifying various factors highlighted in the literature as primary determinants of entrepreneurial behavior and making strategic recommendations to support entrepreneurial development, especially among the youth, who hold significant potential as future economic drivers. Through this approach, this research seeks to contribute to policymakers, educational institutions, and business communities in formulating more effective and sustainable entrepreneurial development policies and programs. By achieving a deeper understanding of the factors shaping entrepreneurial behavior, this study can provide a robust empirical foundation for developing targeted public policies and entrepreneurial education programs. Furthermore, this research is expected to fill existing gaps in the academic literature, thereby making a meaningful contribution to the advancement of entrepreneurial studies and fostering a conducive business ecosystem in Indonesia.

## **METHOD**

A Systematic Literature Review (SLR) is a structured and methodical approach for reviewing existing research on a particular topic. Its aim is to synthesize findings from various studies to provide a comprehensive understanding of the current state of knowledge, identify gaps within the literature, and inform future research directions (Mengist et al., 2020). The SLR process is distinguished by its rigorous methodology, which includes clear research questions, a systematic search strategy, and explicit criteria for selecting and evaluating studies.

The SLR methodology is crucial in ensuring the reliability and validity of findings. As noted by Saleh et al., SLR applies systematic and explicit methods to critically identify, select, and assess relevant research, with the ultimate goal of gathering and analyzing data from selected studies (Saleh et al., 2023). This structured approach minimizes bias and enhances the reproducibility of the review process. Boell and Čećez-Kecmanović emphasize that SLR provides a replicable, transparent, and objective standard method (Boell & Čećez-Kecmanović, 2015). Additionally, the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines are often utilized to ensure that SLR meets high standards in reporting and methodological rigor (Saleh et al., 2023).

The SLR process typically involves several key stages: identification, screening, eligibility assessment, and inclusion of studies. These stages are designed to facilitate a thorough analysis of the literature, ensuring that only relevant and high-quality studies are included in the review (Anurahman, 2023). This systematic approach not only enhances the depth of the review but also effectively summarizes evidence-based research.

## **RESULT AND DISCUSSION**

Exploring entrepreneurial behavior is a complex endeavor, involving various psychological, educational, and social factors. A systematic literature review reveals that entrepreneurial behavior is heavily influenced by individual characteristics, educational interventions, and social dynamics. This synthesis delves deeper into these drivers by referencing studies that explain the intricate relationships between these factors.

Entrepreneurial behavior can be understood through individual characteristics, particularly psychological traits such as self-efficacy, motivation, and personality. For example, Qu et al. highlight the importance of proactive personality in strengthening the link between intentions and entrepreneurial behavior among students (Qu et al., 2022). This finding is supported by Zhang et al., who argue that adaptability in career and psychological resources enables individuals to face entrepreneurial uncertainty, thus enhancing their entrepreneurial intentions (Dong et al., 2022). Additionally, Liu et al. emphasize that entrepreneurial self-efficacy is a crucial predictor of entrepreneurial intentions, subsequently driving entrepreneurial behavior (Liu et al., 2019). These findings indicate that individuals with strong confidence in their capabilities are more likely to engage in entrepreneurial activities.

The role of education in shaping entrepreneurial behavior is significant. Malebana argues that entrepreneurship education can substantially boost students' entrepreneurial intentions and motivation by equipping them with essential skills and fostering interaction with successful entrepreneurs (Malebana, 2014). This perspective is further corroborated by Liu et al., who demonstrate that entrepreneurship education positively impacts students' entrepreneurial self-efficacy, which is vital for fostering entrepreneurial intentions (Liu et al., 2019). Additionally, the Theory of Planned Behavior (TPB) offers a robust framework for understanding how educational interventions shape attitudes, subjective norms, and perceived behavioral control, all critical in building entrepreneurial intentions (Afiat et al., 2023).

Social dynamics also play an important role in influencing entrepreneurial behavior. The concept of social learning, as outlined by Nurlaela et al., suggests that interactions within groups can enhance entrepreneurial motivation and behavior (Nurlaela et al., 2020). This aligns with Duan's findings, which indicate that exposure to entrepreneurial role models can elevate individuals' entrepreneurial intentions and behaviors (Duan, 2022). Another critical dimension in entrepreneurial behavior is the motivational aspect, closely linked to individual competencies and external influences. Farhangmehr et al. found that entrepreneurial competencies significantly impact entrepreneurial motivation, which is crucial for driving entrepreneurial actions (Farhangmehr et al., 2016). This is further supported by Cui, who emphasizes the importance of psychological capital in fostering entrepreneurial behavior among students (Cui, 2021). The link between motivation and intention is also evident in

Mahendra et al.'s research, which shows that entrepreneurship education can mediate the relationship between motivation and entrepreneurial intentions (Mahendra et al., 2017).

The external environment, including economic and social factors, also significantly impacts entrepreneurial behavior. Rehman et al. discuss how situational factors such as policies and entrepreneurial strategies can predict entrepreneurial behavior and outcomes, emphasizing the importance of a supportive ecosystem to encourage entrepreneurship (Rehman et al., 2022). This view is reinforced by Afiat et al., who argue that external factors, including educational interventions and social support, can substantially influence students' entrepreneurial intentions and behaviors (Cai et al., 2020). Additionally, gender and culture have been identified as factors influencing entrepreneurial intentions and behavior. Gender affects entrepreneurial career intentions, suggesting that social norms and expectations significantly shape individuals' entrepreneurial aspirations (Mohaiyuddin et al., 2022). This finding aligns with Behera's research, which notes that certain motivational traits, including risk-taking propensity and internal control, are crucial predictors of entrepreneurial behavior, indicating that personal and social factors are intertwined in shaping entrepreneurial actions (Behera, 2023). SLR is instrumental in identifying research gaps and guiding future studies. By synthesizing existing literature, researchers can pinpoint areas that require further exploration, thereby contributing to knowledge advancement in specific fields (Anurahman, 2023; Queiros, 2023). For instance, a systematic review conducted by Queiros underscores the importance of SLR in forming comprehensive evidence-based conclusions that can direct future research efforts (Queiros, 2023).

The exploration of entrepreneurial behavior is a dynamic and evolving field, requiring a comprehensive research agenda for the future. This agenda should address various drivers of entrepreneurial behavior, including individual psychological factors, social influences, contextual elements, and the impact of education and training. Based on the existing literature, several key areas for future research can be identified. Biraglia and Kadile emphasize the role of entrepreneurial passion in shaping entrepreneurial intentions, suggesting that emotional factors significantly influence the decision-making process in entrepreneurship (Biraglia & Kadile, 2016). Future research could further explore how different dimensions of emotional intelligence and passion interact with entrepreneurial intentions in various contexts. Additionally, Miao et al. highlight the importance of leadership in enhancing innovative behavior, indicating that the interaction between leadership styles

and individual motivation warrants deeper investigation (Miao et al., 2017). The impact of social networks and group dynamics on entrepreneurial behavior presents a promising area of research. Kacperczyk's study on the influence of university peers on entrepreneurial entry decisions shows that social transmission of entrepreneurial behavior plays a crucial role in shaping individuals' decisions to engage in entrepreneurship (Kacperczyk, 2013). Future research could extend this inquiry, including how various social identities and group dynamics influence entrepreneurial intentions and behavior, particularly within diverse educational and cultural settings (Brändle et al., 2019).

While the role of entrepreneurship education in fostering entrepreneurial behavior has been well-documented, more in-depth research is needed. Morris et al. discuss the importance of a competency-based approach in entrepreneurship education, proposing that curricula should be designed to enhance specific entrepreneurial skills (Morris et al., 2013). Future studies could evaluate the effectiveness of various educational models and their impact on students' entrepreneurial intentions and behavior, particularly in non-traditional educational environments. With the rise of digital entrepreneurship, research should also focus on how technology influences entrepreneurial behavior. Satalkina and Steiner's systematic review on digital entrepreneurship highlights the need for further exploration on how digital tools and platforms shape entrepreneurial processes and outcomes (Satalkina & Steiner, 2020). Future research could examine the impact of digital transformation on traditional entrepreneurial practices and the emergence of new business models.

## **CONCLUSION**

Research on entrepreneurial behavior highlights the significance of various factors psychological, educational, social, and contextual in shaping entrepreneurial intentions and behaviors. Psychological traits, such as self-efficacy, motivation, and proactive personality, are shown to enhance entrepreneurial interest. Additionally, entrepreneurship education plays a crucial role by equipping individuals with the skills and self-efficacy needed for entrepreneurial endeavors. Social factors, including group interactions and exposure to role models, also contribute to strengthening entrepreneurial motivation. On the external side,

economic policies, social support, as well as gender and cultural influences significantly impact entrepreneurial behavior.

Several promising areas warrant exploration in future research. One is examining the role of emotions, particularly entrepreneurial passion and emotional intelligence, in influencing entrepreneurial intentions. The interaction between leadership styles and individual motivation in fostering innovative behavior also requires further investigation. Additionally, the influence of social networks and group dynamics on entrepreneurial intentions, especially within diverse educational and cultural settings, remains an appealing research area. Studying the effectiveness of competency-based educational models, particularly within non-traditional environments, will also provide valuable insights for supporting entrepreneurship.

With the advancement of technology, digital entrepreneurship deserves special attention in future research agendas. Its impact on traditional business models and the ways digital tools and platforms shape entrepreneurial processes and outcomes present relevant fields for further investigation. Such research will help identify necessary adaptations to support entrepreneurial practice in the rapidly evolving digital era.

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