Environmental Factors in Affecting Student Entrepreneurship Decision

Agus Eko Sujipto a,*, Mashudi b,2, Aliya Khansa c,3

a,b Universitas Islam Negeri Sayyid Ali Rahmatullah, Mayor Sujadi Street, No 46, Tulungagung, 66221, Indonesia
c Yarmouk University, Syafiq Irsyidat St, Irbid, Jordania
1 agusekosujianto@gmail.com*; 2 mashudi_stain@yahoo.co.id; 3 aliyakhansa@gmail.com
* corresponding author

ARTICLE INFO

ABSTRACT

The aim of this research is to examine the influence of environmental factors on students’ entrepreneurial decisions in Indonesia. Based on theoretical mapping and previous research, the results showed that the environmental factors in question are the internal and external environment. The research design used is quantitative, with the population consisting of alumni of the Master of Sharia Economics UIN SATU Tulungagung. Based on the distribution of questionnaires to 158 alumni, 123 respondents or 78% were obtained and the remaining 22% did not fill out the questionnaire. By analyzing data using regression, the results showed that there was a significant positive internal and external environment on entrepreneurial decisions. Respondents were motivated to become entrepreneurs because it has been their dream since birth, government policies are pro-entrepreneurship, open access to obtain financing, entrepreneurship has become a culture, and promises independence for an entrepreneur.

This is an open access article under the CC–BY-SA license.
1. Introduction

The decision to choose a profession as an entrepreneur, especially for university students, is often colored by several interests, both short and long term, which lead to the sustainability of this profession. As a profession, not many students explicitly choose the profession of being an entrepreneur. They prefer to work in the "office" sector or other formal sectors which tend to be more prestigious. Therefore Amrullah et al., (2022) and Syam & Sudarmi (2019) believes that it is necessary to change the mindset of Indonesia's young generation, especially in higher education, not only to rely on Civil Servants (PNS) as a job option whose needs tend to be limited. There are still many choices for a career and developing one's identity, for example as an entrepreneur. In fact, in many countries the existence of entrepreneurs is able to reduce economic problems, namely unemployment and poverty, and can increase family income.

Considering that entrepreneurship can contribute positively to the national economy (Khamimah, 2021) in increasing national income (GDP) (Fajri, 2021), it is necessary to accelerate entrepreneurship development in Indonesia (Darojah et al., 2018) by understanding and recognizing environmental factors that empirically influence the decisions of university students and alumni to become entrepreneurs (Budiyono & Setyawasih, 2017; Bugawa & Aljuwaisri, 2019; Galay et al., 2023; Lucky & Ibrahim, 2015; Peng et al., 2021; Sulastri et al., 2021). In fact, these internal and external environmental factors can improve the performance of small businesses, where it is explicitly explained that partially the external environment has a positive and significant influence on business partnerships, and the internal environment also has a significant positive influence (Suryana et al., 2017).

It was further stated that internal and external factors in Kuwait can encourage increased performance of women entrepreneurs (Bugawa & Aljuwaisri, 2019), where internal factors are more personal in nature such as goals, motives, entrepreneurial orientation and human resources. Meanwhile, external factors are related to the environment, including culture-values and religion, social-family and friends, economics, law and time management. Then explained by Budiyono & Setyawasih (2017) that environmental factors include: competitors, customers, suppliers, investors, banking, resources and government policies. These environmental factors are the main study in this research, both theoretically and empirically, which can provide understanding to society in making entrepreneurial decisions.

Figure 1 below provides a holistic explanation, when environmental factors influence entrepreneurial decisions so that it is worthy of being followed up as new research. This means that there is still the possibility of being studied in depth, considering that not many previous studies have examined the relationship between environmental factors and entrepreneurial decisions. This image also provides empirical evidence that entrepreneurial decisions cannot be separated from a person's "passion" or love, interest, enthusiasm for entrepreneurship. Attention or "intentions" and entrepreneurial tendencies or "tendencies" can also be linked to environmental factors so that they influence entrepreneurial decisions (Al-Qadasi et al., 2023; Alvarez et al., 2011; Morales & Velilla, 2021; Peng et al., 2021; Xing et al., 2022).
Considering the importance of environmental factors in influencing entrepreneurial decisions, the following table identifies what factors need to be considered related to environmental factors based on relevant literature. These environmental factors can be divided into two, namely factors that come from within the individual (internal) and factors that come from outside the individual (external factors). According to Oluwadare & Oni (2016), this internal environment is very important for building a better business and is even the main determinant of the success of an organization. With internal analysis, companies can identify the strengths and weaknesses of the business they run. Meanwhile, the external environment according to Kuznetsova et al., (2017) changes very quickly so a company must be alert and adaptive to this external environment.

Table 1. Identification of Research Variable Literature

<table>
<thead>
<tr>
<th>Environmental Factors</th>
<th>Literature Review</th>
<th>Entrepreneurial Decisions</th>
<th>Literature Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership ability; Competence;</td>
<td>(Galay et al., 2023)</td>
<td>Entrepreneurial ideals/orientation; Opportunity;</td>
<td>(Arab &amp; Sofiyabadi, 2013); (Bezerra Vasconcelos et al., 2022)</td>
</tr>
<tr>
<td>Entrepreneurial skills; Family socio-economic conditions; Economic conditions;</td>
<td>(Lucky &amp; Ibrahim, 2015) (Suryana et al., 2017)</td>
<td>Government regulatory/policy framework; Market conditions; Access to financing; Knowledge creation and diffusion; Entrepreneurial culture;</td>
<td>(OECD, 2017)</td>
</tr>
<tr>
<td>Family environment; Social environment;</td>
<td>(Sulastri et al., 2021)</td>
<td>No dependencies; Helping the social environment; Leadership spirit; Future oriented; Interest in becoming an entrepreneur; Have the determination to start a business;</td>
<td>(Ardiyani &amp; Kusuma, 2016)</td>
</tr>
</tbody>
</table>
Based on table 1, it can be summarized that environmental factors consist of the internal environment and the external environment. Internal environmental factors can relatively be controlled or monitored directly, including competence, family socio-economic conditions and family factors. Meanwhile, external environmental factors are uncontrollable, namely national economic conditions, friends and customers which empirically influence entrepreneurial decisions.

The importance of external environmental factors, especially the national economy, which empirically influence entrepreneurial decisions in Indonesia is evidence of a research gap, that entrepreneurial decisions are not solely based on the competence and internal conditions of business actors. For example, during the health crisis (Covid-19). The Covid pandemic has increased the number of unemployed as an implication of layoffs. But on the other hand, to survive, people are motivated to build new business entities in the form of entrepreneurship. As research by Cahyadi & Pradnyani (2020) shows that the Covid pandemic has affected the global economy so that business actors change their strategies for business recovery. Likewise with the findings of Mardanugraha & Akhmad (2023) that as many as 51% of MSMEs in Indonesia can still survive. The MSME sector which is able to adapt its business to environmental changes is the one which is able to survive and continue to develop (Sinring, 2022).

2. Literature Review

Explicitly Irawati (2022) examines the influence of internal and external factors on entrepreneurial decisions. The research chose 44 entrepreneurs as the research focus frozen food reseller during the Covid 19 pandemic. The research results show that internal environmental factors with indicators: motivation, creativity, entrepreneurial and innovative spirit significantly and positively influence entrepreneurial decisions with indicators: high income, not wanting to be controlled by others, business reputation, developing ideas and wanting well-being. Likewise, the external environment with indicators: heredity, family support, sources of capital, social environment and work environment have a significant positive effect on decision to become an entrepreneur.

Relation to the internal environment (competence), Zahra et al., (2019) stated that competence is the main capital in determining entrepreneurial success and entrepreneurial decisions. So when an individual (student) has competence, they tend to choose entrepreneurship, so to start entrepreneurship, students should have capital, namely competence. Then Kumalasari & Andayani (2017) who researched the influence of competence
on entrepreneurial attitudes, firmly stated that there is a positive and significant influence on entrepreneurial decisions. However, there are still many variables besides competence that influence entrepreneurial attitudes.

Sumarsono (2013) which examines the entrepreneurial interests of students at Muhammadiyah University of Ponorogo. This research involving 127 students provides empirical evidence that competence or in other words, student self-efficacy significantly influences their interest in entrepreneurship. Thus, competence needs to be built from college to provide knowledge strengthening so that students not only rely on work in the limited formal sector, but the entrepreneurial sector also promises success. Irawati (2022) also stated that competence will motivate individuals to become entrepreneurs in difficult times, namely the Covid-19 pandemic.

A part from individual competence, other internal factors, namely the family environment, empirically influence entrepreneurial decisions. Studies Ardiyani & Kusuma (2016) for example, researching 100 students from the Faculty of Economics and Business, Ganesha Education University. The research results show that students’ interest in entrepreneurship does not just come naturally, but rather there is family intervention. Where the family environment has a positive and significant effect on interest in entrepreneurship. The research results are the same as research Anggraeni (2015) in class XI students in the 2015 academic year, that the family environment, especially mothers, tend to always encourage their children to succeed. One way of success can be through entrepreneurship, so that it has a significant positive influence on entrepreneurial decisions.

The importance of family in influencing entrepreneurial decisions is also supported by research Agusmiati & Wahyudin (2019); Siahaan (2023); Wiani et al. (2018) that the family environment as an informal environment is very colorful in shaping individual attitudes in the decision-making process. This not only happens to individuals, namely vocational school students, but also to the younger generation in general. They believe that the decision to become an entrepreneur cannot be separated from the contribution of the family, including parents (mother, father, brother, sister, husband, wife) and other close relatives. This family contribution can be in the form of genetics or offspring, but also the amount of time given by the family in providing direction and guidance for entrepreneurship.

As another internal environmental factor, the family's socio-economic conditions also influence entrepreneurial decisions. In India, socio-economic status has a significant influence on the level of women's entrepreneurial behavior and is an important predictor in influencing the level of entrepreneurial behavior (Ram et al., 2013). Likewise, in Indonesia, both vocational school students, college students and even housewives, they decide to become entrepreneurs because of internal environmental factors, namely the socio-economic situation and conditions of the family. Even though statistically there is an insignificant influence, the influence of family socio-economic conditions on entrepreneurial decisions is positive (Fitria & Ariva, 2018; Isma et al., 2020; Nurdiana et al., 2022; Ramadhanti et al., 2017). Based on this empirical study, the following research hypothesis can be put forward.

H1: The internal environment has a significant effect on entrepreneurial decisions

Furthermore, this research also examines the external environment which consists of three aspects, namely: customers, national economic conditions and friends. These three external environments contribute to building an individual's attitude towards entrepreneurship (Budiyono & Setyawasih, 2017; Bugawa & Aljuwaïsri, 2019; Suryana et al., 2017). In the customer aspect, they are the parties who will buy the company's products. So the existence of customers as potential buyers will encourage individuals to work as entrepreneurs. However, on the other hand, when potential customers are difficult to find,
entrepreneurial decisions in sectors with limited customers will decrease (Santoso et al., 2016).

Likewise with Fahmi et al. (2019) In his research, he stated that an entrepreneur must be able to create new customers along with the products he produces to increase sales. Whereas Ridwan (2021) explains that a job seeker must be equipped with entrepreneurial skills, so that he can turn into a job creator. This job creation is synonymous with the formation of new business entities that can recruit new workers to reduce unemployment. The problem is, can the product produced be absorbed by the market? This is the importance of a market survey before entering the market.

National economic conditions also influence entrepreneurial decisions. Research conducted Bastaman & Juffiasari (2015) of female entrepreneurs in DKI Jakarta who are members of the Indonesian Women Entrepreneurs Association found that entrepreneurial decisions stem from hobbies to fill free time at home. Because they are fully aware that this entrepreneurial activity can boost the family’s economy, they can increasingly influence entrepreneurial decisions. Meanwhile, according to Wijaya (2008) The national economy experienced a downturn as a result of the devaluation of the rupiah against the United States dollar which continued into the economic crisis. However, the Small and Medium Enterprises (SME) sector has been more resilient in the midst of the economic crisis despite using simple management (Widiastuti, 2022).

Another external environment that influences entrepreneurial decisions is friends. What is meant by friends is peers, where research in Indonesia found their contribution to entrepreneurial decision making (Irawati, 2017; Nurudin, 2018) and product purchasing decisions (Azizah Ayu Ashari & Tri Sudarwanto, 2022).

According to Saifudin (2016), the peer environment significantly positively influences entrepreneurial decisions. Someone will spend a long time interacting with peers. Even expressions or suggestions from peers can influence individual attitudes. Khairinal et al. (2022) who conducted a study on Jambi University students also found that peer positions had a direct influence on entrepreneurial decisions. Even choosing a particular study program at Jambi University is often influenced by the opinions, views and suggestions of peers.

Then Widhiastuti & Dewi (2020) explained that the social environment in question is the community environment, university environment, peer environment and social media environment. This environment will influence a person in providing an assessment because a person will learn a lot from these interactions and gain knowledge about life values, social norms, responsibilities, morals and the needs of other people. The size of the influence of the social environment depends on the intensity or contact a person has in that environment. A person’s social environment is usually those with similarities, for example hobbies, vision, mission, or age. According to Astuti & Sukardi (2013), these peers are relatively empathetic and easy to collaborate with and help each other, especially in positive things such as entrepreneurship. The following is a formulation of research hypotheses related to external environmental factors that have implications for entrepreneurial decisions.

H2: the external environment has a significant effect on entrepreneurial decisions.

3. Research Method

Based on the hypothesis tested in this research, a quantitative approach was chosen to test the influence of independent variables, namely internal and external environmental factors, on the entrepreneurial decisions of alumni of the Master of Sharia Economics, Sayyid Ali Rahmatullah State Islamic University (UIN SATU) Tulungagung. As one of the State Islamic Religious Universities (PTKIN) in Indonesia, UIN SATU Tulungagung continues to
improve to develop the institution into an international class university. The Study Programs (Prodi) offered to the public are not only related to educational sciences but also other social sciences including sharia economics which are held in the Postgraduate program.

The research data collection technique used a questionnaire that was distributed to respondents, namely alumni of the Sharia Economics Masters Study Program as many as 158 people with details namely students who have completed their studies in 2017, 2018, 2019, 2020, and 2021. The sampling technique chosen used census or saturated sampling so that the entire population was used as the research sample. Thus, this research can be called population research. The collected questionnaires were then analyzed using relevant statistical methods, namely: instrument validity test, instrument reliability test, descriptive test, data normality test, multicollinearity test, heteroscedasticity test, multiple regression test, coefficient of determination test and hypothesis test. The autocorrelation test is not needed in this research because it uses cross section data as in research Giam & Breliastiti (2015). To carry out research data analysis using IBM SPSS Statistics.

<table>
<thead>
<tr>
<th>Research variable</th>
<th>Indicator</th>
<th>No. Questionnaire Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Environment (X1)</td>
<td>Competence</td>
<td>1,2</td>
</tr>
<tr>
<td></td>
<td>Family Socio-Economic Conditions</td>
<td>3,4</td>
</tr>
<tr>
<td></td>
<td>Family Education</td>
<td>5,6</td>
</tr>
<tr>
<td>External Environment (X2)</td>
<td>National Economic Conditions</td>
<td>9,10</td>
</tr>
<tr>
<td></td>
<td>Friend</td>
<td>11,12</td>
</tr>
<tr>
<td>Entrepreneurial Decision (Y)</td>
<td>Ambition</td>
<td>1,2</td>
</tr>
<tr>
<td></td>
<td>Opportunity</td>
<td>3,4</td>
</tr>
<tr>
<td></td>
<td>Government policy</td>
<td>5,6</td>
</tr>
<tr>
<td></td>
<td>Access to financing</td>
<td>7,8</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial culture</td>
<td>9,10</td>
</tr>
<tr>
<td></td>
<td>Independent</td>
<td>11,12</td>
</tr>
</tbody>
</table>

Source : Relevant Theory and Previous Research

4. Results and Discussion

Test the validity of the instrument

Validity test results for variable instruments internal environment (X1), namely: X1.1 (0.384**), X1.2 (0.420**), X1.3 (0.325**), X1.4 (0.362**), X1.5 (0.423**) and This result is significant at the 0.01 level. Meanwhile, the results of the validity test on the external environmental variable instrument (X2) are: X2.1 (0.485**), X2.2 (0.411**), X2.3 (0.486**), X2.5 (0.355**) and X2.6 (0.317**). This result is also significant at the 0.01 level. Meanwhile, the instrument validity test for the entrepreneurial decision variable (Y) showed that there were invalid instrument items, namely items number 3 and 8, so these two items were deleted and the results of instrument validity testing for the entrepreneurial decision variable were guided by the Sig value. (2-tailed) which is less than 0.05, namely: 0.000 (Y1), 0.000 (Y2), 0.015 (Y4), 0.001 (Y5), 0.004 (Y6), 0.000 (Y7), 0.000 (Y9), 0.001 (Y10), 0.003 (Y11), 0.002 (Y12).

Instrument reliability test

The reliability test is used to test the consistency of a questionnaire regarding research instruments. The basis for decision making used, if value Cronbach’s Alpha greater than 0.6 then the research instrument is called reliable (Sujianto, 2009). Based on the test results, the Cronbach’s Alpha value is 0.689 so it can be explained that the instrument is in a reliable position.

Residual normality test

The normality test is carried out by testing the residual, which according to Sujianto & Azmi (2020) data is said to be normally distributed at the time of value Asymp. Sig. (2-tailed)
greater than 0.05. The results of this data normality test are also based on Sujianto (2009), that the normality test is very important, especially in parametric cases. Based on table 2, it can be stated that this research data is normally distributed with an Asymp value. Sig. (2-tailed) of 0.200.

### Table 3. One-Sample Kolmogorov-Smirnov Test

<table>
<thead>
<tr>
<th>N</th>
<th>123</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Parameters, b</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td>Statistical Tests</td>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
<tr>
<td>Source</td>
<td>Primary Data, Processed</td>
</tr>
</tbody>
</table>

### Multiple regression test

Table 4 below explains the pattern of influence of the independent variable (X) on the dependent variable (Y). Where the results of data processing show that the influence of the internal environment on entrepreneurial decisions has a positive slope, meaning that increasing competence, family and socio-economic conditions have a positive effect on entrepreneurial decisions. That increasing competence, family and family socio-economic conditions have a positive effect on entrepreneurial decisions with indicators that entrepreneurship is an ideal, opportunity, government policy, access to financing, entrepreneurial culture and independence.

Entrepreneurial decisions are also influenced by the internal environment portrayed by customers, national economic conditions and friends. Where when customers are very open, national economic conditions are improving and friends provide recommendations, this has a positive influence on entrepreneurial decisions.

### Table 4. Coefficients Test, Dependent Variable: Entrepreneurial Decisions

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant) 53.754 .447</td>
<td>120.256 .000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>internal environment</td>
<td>.121 .013</td>
<td>.568 9.189 .000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>external environment</td>
<td>.105 .012</td>
<td>.540 8.745 .000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data, Processed

### Hypothesis testing

The hypothesis of this research is: The internal environment has a significant effect on entrepreneurial decisions (H1) and the external environment has a significant effect on entrepreneurial decisions (H2). Testing of these two hypotheses is based on table 3 where the Sig value is 0.000 for the internal environment and 0.000 for the external environment variable. These two Sig values are less than 0.05 so it can be concluded that the two hypotheses have been tested referring to the research Siswanto et al., (2022); Sujianto (2020).

### Coefficient of determination test

Table 4 below provides answers to the coefficient of determination test which is based on the results of the Adjusted R Square test (Sujianto, 2009) namely 0.556. These results indicate that the contribution of the internal environment and external environment to Entrepreneurial Decisions is 56.4%. Meanwhile, the contribution of other variables besides
the internal environment and external environment which were not included in the study in this session was 44.4%.

Table 5. Model Summary, Predictors: (Constant), External Environment, Internal Environment

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.751a</td>
<td>.564</td>
<td>.556</td>
<td>.27941</td>
</tr>
</tbody>
</table>

Source : Primary Data, Processed

Discussion

The internal environment which can be measured by competence, socio-economic conditions of the family and family has a significant positive effect on entrepreneurial decisions. The results of this research are relevant to the study Galay et al., (2023) that a person’s competence is an internal environmental factor that empirically influences entrepreneurial decisions. Competence in this research can be built from formal and non-formal educational institutions. Where when someone deepens knowledge, especially about entrepreneurship, it can empirically increase their interest in entrepreneurship, because they have knowledge about the science they are studying. Mastery of this knowledge can encourage creativity and innovation, considering that these two important aspects are the soul of entrepreneurship so that they can motivate someone to become an entrepreneur.

This entrepreneurial decision is also influenced by the internal environment with indicators, namely the family’s socio-economic conditions (Lucky & Ibrahim, 2015; Suryana et al., 2017). Educational background is believed to influence a person’s career, although other research still requires in-depth testing of this. What is meant by educational background in this case is parental education, because with education a person has knowledge and of course experience. This knowledge and experience can then influence someone to have a higher career and this career advancement can encourage the fulfillment of needs for clothing, food and shelter.

Then the non-socio-economic family environment, or more heredity, becomes an important factor in a person’s internal environment in deciding to become an entrepreneur, according to research Sulastri et al., (2021). This aspect of the family, for example, means the family always communicates to solve problems. This means that there is emotional closeness between family members to jointly solve problems, especially career advancement problems. The family also supports every constructive step and decision in career development. This support can be in the form of finance as capital for entrepreneurship, access and other non-financial facilities.

The external environment includes customers, national economic conditions and friends which are empirically important factors in entrepreneurship. In the customer aspect, empirically it is stated that customer availability is an important factor for starting a business or entrepreneurship (Prakarsa & Tarigan, 2016). The results of this study are also relevant to research Aliyah (2017) that the formation of markets is due to factors of sellers and buyers. In the marketing context, buyers are customers who are users or consumers of products produced by the company. The availability of customers is an attraction for companies to produce and market a product. The results of this study also support the findings Budiyono & Setyawasih (2017), because with the availability of customers the company’s products can be sought after by the market and increase the company’s sales and profits.

It is empirically believed that the communication factor with colleagues can influence entrepreneurial decisions. The results of this study support research Prakarsa & Tarigan (2016) that personal communication is a force in influencing someone in making decisions. Even though the research locus is different, this research supports Saifudin’s (2016) findings that peers contribute positively to entrepreneurial decisions. Likewise with research
Khairinal et al., (2022), which clearly suggests that peers have a direct influence on the entrepreneurial decisions of the younger generation. Communication between peers has a long period of time, and it is not uncommon for these peers to contribute to a person's attitude. It is not uncommon for them to work together to make strategic decisions, for example entrepreneurial decisions (Astuti & Sukardi, 2013; Widhiastuti & Dewi, 2020). Then Bugawa & Aljuwaisri (2019) in his study also explains that external factors are factors outside a person's control that empirically influence a person's decisions, especially in entrepreneurship.

Meanwhile, the entrepreneurial decision in this research concerns ideals, because in Islam it is explained that nine out of ten doors of sustenance come from commerce/commerce. Commerce/commerce is synonymous with entrepreneurship (Kurniati et al., 2021), and entrepreneurship is highly recommended in Islam as evidenced by the emergence of Islamic boarding schools. Entrepreneurs in Indonesia. Fatchurrohman & Ruwandi (2018) stated that entrepreneurship education in Islamic boarding schools is an alternative for realizing student independence. Observation Shibgotulloh & Bahri (2015) at the entrepreneurial Islamic boarding school in Bekasi that the entrepreneurial Islamic boarding school can become a community empowerment institution that not only provides strengthening of entrepreneurial education, but also strengthening of economic and social aspects. Through this entrepreneurial Islamic boarding school, it is hoped that it can become a pillar in realizing accelerated national economic growth by placing Islamic boarding schools as institutions that produce student entrepreneurs (Jannah & Siswanto, 2021).

This entrepreneurial decision is also related to opportunity, which this research supports Arab & Sofiyabadi (2013); Bezerra Vasconcelos et al., (2022) that when there is a business opportunity, entrepreneurs are present. This research also supports the finding that entrepreneurial decisions cannot be separated from government policies in the form of technical guidance for both production and marketing aspects, access to financing for working capital and increased productivity, entrepreneurial culture (OECD, 2017) and promises independence and prosperity (Ardiyani & Kusuma, 2016; Irawati, 2022). Thus the statement that the internal and external environment has a positive and significant influence on entrepreneurial decisions (International Labor Organization, 2021; Irawati, 2022; Kuznetsova et al., 2017; Oluwadare & Oni, 2016) is a statement that has been empirically tested so that to foster interest in entrepreneurship it is necessary to strengthen aspects of the internal and external personal environment.

5. Conclusion

Entrepreneurial decisions are determined by the internal and external environment. The internal aspect has a partially significant effect on entrepreneurial decisions. The internal aspect includes competency indicators obtained from learning activities in the economic field and activities that develop creativity and innovation. Indicators of family socio-economic conditions can be explained by the parents' latest education and meeting their needs for clothing, food and shelter. Meanwhile, family environmental indicators can be explained by active communication within the family and the family supporting every constructive decision. In the external environmental aspect, using customer indicators, national economic conditions and colleagues have a significant positive effect on entrepreneurial decisions. The availability of potential customers is not only a spirit in planning and making business decisions. The national economic recovery provided a positive response with the birth of business entities and their development. Meanwhile, colleagues become motivators, whose
presence can influence a person’s mindset and attitude in making decisions that have a positive impact in the long term.

It is recommended for future research to expand the study by utilizing entrepreneurial Islamic boarding schools as a research locus with respondents, namely santri. Empirically and practically, this entrepreneurial Islamic boarding school is starting to grow in Indonesia, so serious study is needed considering that the Islamic boarding school belongs to the community, which in time will return to the community to jointly build the economy of the people and nation. It is also recommended to expand the research area, namely not only studying Indonesian society but also the international world, for example entrepreneurial Islamic boarding schools in Malaysia.

**Acknowledgment**

The researcher would like to express his thanks to all parties who assisted in the publication process of this research, namely: to the Chancellor of UIN SATU Tulungagung, Indonesia and the Chancellor of Yarmouk University, Jordania.

**References**


