

The Effect Of Business Capital And Creativity On Entrepreneurial Interest With The Involvement Of Variables Intervening: Entrepreneurial Motivation On Entrepreneurship Association Of Umkm Muaro Jambi (Asumkmuja)

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Abstract

This study aims to examine the effect of business capital and creativity on entrepreneurial interest by involving entrepreneurial motivation as an intervening variable among members of the Entrepreneurship Association of UMKM Muaro Jambi (ASUMKMUJA). Using a quantitative approach, data were collected through questionnaires distributed to ASUMKMUJA members and analyzed using path analysis. The findings indicate that business capital and creativity have a positive and significant effect on entrepreneurial motivation. Furthermore, entrepreneurial motivation significantly influences entrepreneurial interest and mediates the relationship between business capital, creativity, and entrepreneurial interest. These results suggest that enhancing both financial support and creative capacity, while simultaneously fostering entrepreneurial motivation, can effectively increase entrepreneurial interest among UMKM actors. This study provides useful insights for policymakers and entrepreneurship development programs to support the growth of small and medium enterprises in the region.

Keywords: Business Capital, Creativity, Entrepreneurial Interest, Entrepreneurial Motivation, UMKM, ASUMKMUJA.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role in the national economy, especially as a driving force for economic growth and absorbing labor. According to the Ministry of Cooperatives and SMEs (2023), MSMEs contribute more

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than 60% to Indonesia's Gross Domestic Product (GDP) and absorb around 97% of the workforce. In Muaro Jambi Regency, MSMEs are one of the mainstays of the community's economy, especially in the culinary, craft, and service sectors. However, the challenges faced by MSME actors are not easy, ranging from limited capital, low innovation, to lack of motivation and interest in developing a sustainable business. According to (Rifqi et al., 2025), limited capital is often the main obstacle in starting and developing a business, especially among MSMEs. In the ASUMKMUJA environment, most business actors still rely on their own limited capital, making it difficult to expand or innovate products. Although the government and financial institutions have provided various financing schemes such as People's Business Credit (KUR), access and financial literacy are still obstacles in themselves. This indicates that the influence of capital on entrepreneurial interest is still very relevant to study

The easier it is to get business capital, the greater a person's interest in entrepreneurship will be because the ease of getting business capital will make it easier for someone to open a business, but if they do not have capital, it will be more difficult for someone to convey entrepreneurial ideas (Kumara, 2020).

According to Sinta Rahayu et al., (Rahayu et al., 2023) business capital has a significant positive influence on entrepreneurial interest because it requires business capital or business capital (money) in large amounts to start a business.

According to (Afrianti et al., 2020) becoming an entrepreneur requires a high level of creativity and the ability to observe trends and events that occur in society.

Creativity is a key factor in modern entrepreneurship, because in competitive market conditions, business actors must be able to present new ideas that are unique and have added value

In line with the opinion of (Munandar, 2014), creativity is the ability to produce new ideas that are useful and contextual According to (Slameto, 2015), interest is a high tendency of the soul towards an object accompanied by feelings of pleasure.

Theoretically, this study is based on the theory of entrepreneurship which emphasizes the importance of a combination of internal factors (such as motivation and creativity) and external (such as capital and environment) in forming entrepreneurial decisions (Bygrave & Zacharakis, 2014)

This study is important to determine how much influence business capital and creativity have on entrepreneurial interest, and to what extent entrepreneurial motivation plays a role as an intervening variable in the relationship. The title of this study explicitly reflects the focus of the study and its urgency in supporting local economic growth by

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strengthening the MSME sector. It is hoped that the results of this study can be a foothold in increasing the capacity and entrepreneurial spirit of the Muaro Jambi community, especially ASUMKMUJA members. With the increasing interest and motivation in entrepreneurship, it is expected that new entrepreneurs will emerge who are able to create added value and open up sustainable employment opportunities. Based on this, the author is interested in taking this research with the title "The Influence of Business Capital and Creativity on Interest in Entrepreneurship with the Involvement of Intervening Variables: Entrepreneurial Motivation in Entrepreneurs of the Muaro Jambi UMKM Association (ASUMKMUJA)".

METHODOLOGY

The method used in this research is a descriptive-verificative and quantitative approach. According to (Sugiyono, 2023), a verificative method is defined as a research method involving hypothesis testing through statistical calculations to determine whether the hypothesis is accepted or rejected based on descriptive research results.

To quantitatively measure the direct influence of independent variables on the dependent variable through an intervening variable, the analytical tool used is the Structural Equation Modeling (SEM). The software employed in this research is SmartPLS 3.0. According to (Ghozali & Latan, 2015), component-based SEM using PLS was chosen because it can work efficiently with small sample sizes and complex models.

Ghozali and Latan (2015) state that the evaluation of the PLS model is conducted by assessing both the outer model and the inner model. The evaluation of the measurement model (outer model) is carried out to assess the validity and reliability of the model. The outer model is evaluated using reflective indicators, convergent validity, discriminant validity, composite reliability, and Cronbach's alpha for indicator blocks. Meanwhile, the inner model evaluation aims to predict the relationship between latent variables.

RESEARCH RESULTS AND DISCUSSION

Convergent Validity Testing

Convergent validity testing is a type of validity used to evaluate the extent to which an instrument or measurement tool accurately measures the same construct. In the context of statistics and data analysis, especially in latent variable-based models such as Partial Least Squares (PLS), convergent validity is essential to ensure that the indicators or items used in the model truly reflect the same construct.

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Loading Factor

To determine the results of the loading factor test, refer to the following figure :

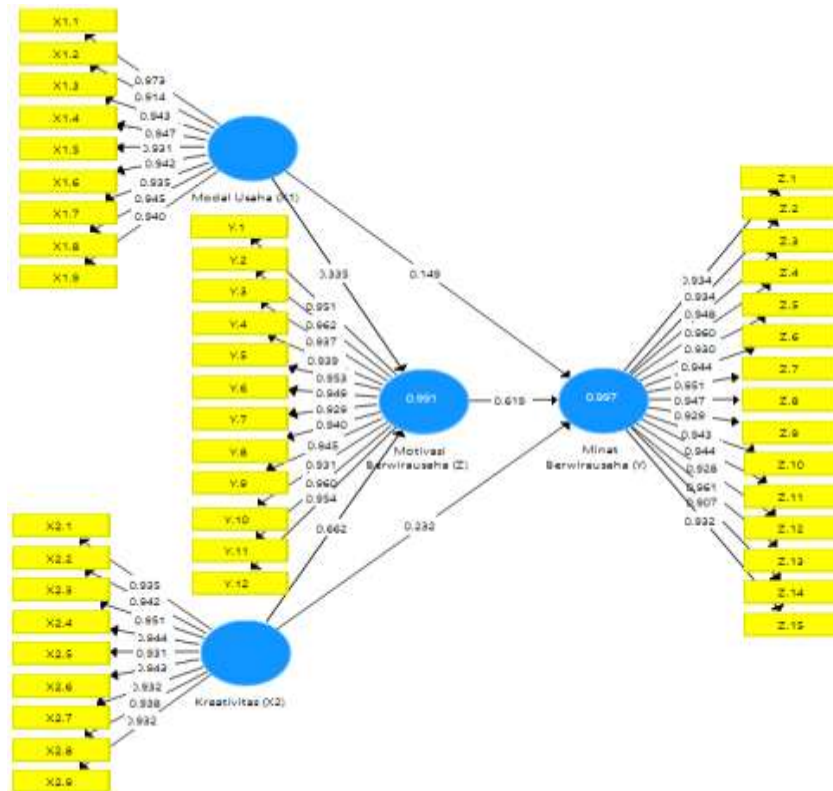


Figure 1.Loading Factor

The figure above represents the initial step in addressing research objectives number 1 to 7. In the figure, it is evident that all variable indicators have outer loading values above 0.7, which indicates that each indicator has a strong correlation with the latent variable it is intended to measure.

Reliability Testing

The composite reliability test is conducted to determine the extent to which a measurement instrument can be considered reliable. A variable is considered reliable if all of its indicator loading values are above 0.70. The composite reliability values for each variable can be seen in Table 1 below:

Table 1 Composite Reliability

	Composite Reliability
Business Capital (X1)	0.886
Creativity (X2)	0.881
Entrepreneurial Motivation (Z)	0.895
Entrepreneurial Interest (Y)	0.883

Source: Data Processed with PLS, 2025

Based on Table 1, the results of the composite reliability test indicate that all variables can be considered reliable, as they have composite reliability values greater than 0.70.

Coefficient of Determination (R-Square)

In evaluating a model using PLS, the first step is to look at the R-Square (R^2) values for each dependent latent variable. Table 2 presents the R-Square estimation results using SmartPLS 3.

Tabel 2 R-Square Values

Variable	R Square
Entrepreneurial Motivation (Z)	0.991
Entrepreneurial Interest (Y)	0.997

Source: Data Processed with PLS, 2025

Based on the results presented in Table 2, shows the results for the R-square value of entrepreneurial motivation of 99.1 percent, and entrepreneurial interest of 99.7 percent. This shows that the influence of Business Capital and Creativity on entrepreneurial motivation is included in the strong category. Then the influence of Business Capital and Creativity on entrepreneurial interest is included in the strong category.

Hypothesis Testing

The basis for testing hypotheses is the value presented in the output result for inner weight. Table 3 provides the estimation output for structural model testing:



Table 3 Result for Inner Weights

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Business Capital (X1) -> Entrepreneurial Interest (Y)	0.149	0.154	0.064	2.324	0.021
Creativity (X2) -> Entrepreneurial Interest (Y)	0.232	0.233	0.093	2.501	0.013
Business Capital (X1) -> Entrepreneurial Motivation (Z)	0.335	0.338	0.090	3.710	0.000
Creativity (X2) -> Entrepreneurial Motivation (Z)	0.662	0.659	0.090	7.349	0.000
Entrepreneurial Motivation (Z) -> Entrepreneurial Interest (Y)	0.619	0.613	0.084	7.407	0.000
Business Capital (X1) -> Entrepreneurial Motivation (Z) -> Entrepreneurial Interest (Y)	0.207	0.207	0.064	3.258	0.001
Creativity (X2) -> Entrepreneurial Motivation (Z) -> Entrepreneurial Interest (Y)	0.410	0.403	0.076	5.362	0.000

Source: Data Processed with PLS, 2025

Hypothesis Test of the Effect of Business Capital on Entrepreneurial Interest The results of the hypothesis test show that the relationship between the business capital variable and the interest in entrepreneurship shows a path coefficient of 0.149. The t statistics value is $2.324 > 1.96$ and the P Values value is 0.021, which is smaller than 0.05, so the H1 hypothesis is accepted. With these results, it can be stated that the business capital variable has a positive and significant effect on the interest in entrepreneurship. This means that business capital has an impact on the interest in entrepreneurship.

Hypothesis Test of the Effect of Creativity on Entrepreneurial Interest The results of the hypothesis test show that the relationship between the Creativity variable and the



interest in entrepreneurship shows a path coefficient of 0.232. The t statistics value is $2.501 > 1.96$ and the P Values value is 0.013, which is smaller than 0.05, so the H1 hypothesis is accepted. With these results, it can be stated that the Creativity variable has a positive and significant effect on the interest in entrepreneurship. This means that if Creativity increases, the interest in entrepreneurship will increase.

Hypothesis Testing the Effect of Business Capital on Entrepreneurial Motivation
The results of the hypothesis test show that the relationship between the business capital variable and entrepreneurial motivation shows a path coefficient of 0.335. The t statistics value is $3.710 > 1.96$ and the P Values are 0.000, which is smaller than 0.05, so the H1 hypothesis is accepted. With these results, it can be stated that the business capital variable has a positive and significant effect on entrepreneurial motivation. This means that if business capital increases, it will significantly affect entrepreneurial motivation.

Hypothesis Testing the Effect of Creativity on Entrepreneurial Motivation
The results of the hypothesis test show that the relationship between the Creativity variable and Entrepreneurial Motivation shows a path coefficient of 0.662. The t statistics value is $7.349 > 1.96$ and the P Values are 0.000, which is smaller than 0.05, so the H1 hypothesis is accepted. With these results, it can be stated that the Creativity variable has a positive and significant effect on entrepreneurial motivation. This means that if Creativity increases, entrepreneurial motivation will increase.

Hypothesis Testing the Effect of Entrepreneurial Motivation on Entrepreneurial Interest
The results of the hypothesis test show that the relationship between the entrepreneurial motivation variable and entrepreneurial interest shows a path coefficient of 0.619. The t statistics value is $7.407 > 1.96$ and the P Values are 0.000, which is smaller than 0.05, so the H1 hypothesis is accepted. With these results, it can be stated that the entrepreneurial motivation variable has a positive and significant effect on entrepreneurial interest. This means that if entrepreneurial motivation increases, entrepreneurial interest will increase.

Hypothesis Testing of the Influence of Business Capital on Entrepreneurial Interest Through Entrepreneurial Motivation
The results of the hypothesis test show that the relationship between the business capital variable and entrepreneurial interest with entrepreneurial motivation as an intervening variable shows a path coefficient of 0.410 with a t statistics value of $5.362 > 1.96$ and the P Values are 0.000 smaller than 0.05 so that the H1 hypothesis is accepted. With these results, it can be stated that business capital has a positive and significant effect on entrepreneurial interest through entrepreneurial motivation.



Hypothesis Testing of the Influence of Creativity on Entrepreneurial Interest Through Entrepreneurial Motivation Then the results of the hypothesis test show that the relationship between the Creativity variable and entrepreneurial interest with entrepreneurial motivation as an intervening variable shows a path coefficient of 0.207 with a t statistics value of $3.258 > 1.96$ and the P Values are 0.001 smaller than 0.05 so that the H1 hypothesis is accepted. With these results, it can be stated that Creativity has a positive and significant effect on entrepreneurial interest through entrepreneurial motivation.

SUMMARY

The results of this study reveal that business capital and creativity have a positive and significant effect on entrepreneurial motivation among members of the Entrepreneurship Association of UMKM Muaro Jambi (ASUMKMUJA). Increased business capital and creativity lead to higher entrepreneurial motivation. Furthermore, both business capital and creativity also have a direct and significant impact on entrepreneurial interest, indicating that adequate capital and enhanced creativity contribute to a stronger interest in entrepreneurship. Additionally, entrepreneurial motivation plays a crucial mediating role, positively influencing entrepreneurial interest. It was also found that business capital and creativity indirectly affect entrepreneurial interest through entrepreneurial motivation, highlighting the importance of motivation in translating resources and personal capabilities into a strong entrepreneurial drive. These findings emphasize the need to support entrepreneurs not only financially but also through initiatives that enhance creativity and motivation.

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