

# The Push Factors of Entrepreneurship: Examining Unemployment, Job Dissatisfaction, and Economic Conditions as Drivers of MSME Owners' Decision to Become Entrepreneurs in North Jakarta

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## Abstract

Despite various government initiatives to promote entrepreneurship, Indonesia's entrepreneurial growth remains low, with a minimal increase in entrepreneurial rates and one of the lowest rankings in Southeast Asia. Prior research on entrepreneurial intentions in Indonesia has primarily focused on pull factors, while the role of push factors remains underexplored. The objective of this research is to examine how push factors, including unemployment, job dissatisfaction, and unfavorable economic conditions on the entrepreneurial intention and behavior of MSME owners situated in North Jakarta. This study employs a non-probability purposive sampling technique, targeting MSME owners in North Jakarta as respondents. Data from 80 MSME owners were collected to achieve a statistical power of 80%. The study utilizes Partial Least Squares (PLS) to analyze the data. The results indicate that unemployment has a significant positive effect on entrepreneurial intention but does not directly influence entrepreneurial behavior. Job dissatisfaction does not significantly affect either entrepreneurial intention or entrepreneurial behavior. Economic situation has a strong positive influence on entrepreneurial intention but does not directly impact entrepreneurial behavior. Entrepreneurial intention significantly influences entrepreneurial behavior. Entrepreneurial intention mediates the relationship between unemployment and entrepreneurial behavior, as well as between economic situation and entrepreneurial behavior, while no significant mediation effect is found for job dissatisfaction. This study highlights the need for policy support to strengthen entrepreneurial intention among unemployed individuals, as it drives entrepreneurial behavior.

**Keywords:** Economic Situation, Entrepreneurial Behavior, Entrepreneurial Intention, Job Dissatisfaction, Unemployment.

## 1. Introduction

The increase in the number of entrepreneurs in Indonesia has not yet reached the anticipated level. According to data from BPS-Statistics Indonesia, the percentage of entrepreneurs in Indonesia experienced only a 0.37% rise from 2017 to 2022 (Kementrian Perindustrian, 2018; Kompas, 2021; Liptan 6, 2017). According to the Best Countries report of 2019, Indonesia ranked third lowest in Southeast Asia in terms of entrepreneurship. (Katadata, 2019). Moreover, Indonesia exhibits the lowest entrepreneurship rate at 3.47%, in comparison to Malaysia (4.74%), Thailand (4.26%), and Singapore (8.76%) (Liptan 6, 2021). Notwithstanding the government's implementation of various programs to stimulate



entrepreneurial growth, encompassing both student mentorship initiatives and financial support for MSMEs, the rate of entrepreneurial expansion in Indonesia has not yet attained the desired target.

Entrepreneurship constitutes a primary pillar in fostering economic growth, innovation, and employment opportunities within a nation (Cardella et al., 2020; Coulibaly et al., 2018). In the formation of future entrepreneurial ventures, the intention to engage in entrepreneurial activities is considered the most crucial element (Nguyen et al., 2019). The rationale behind the extensive research conducted on entrepreneurial intentions stems from previous studies that have established a correlation between an individual's behavior and their intentions. According to the theory of planned behavior proposed by Ajzen (1991), intention is a crucial factor influencing whether an individual will engage in a specific behavior or not. However, research concerning entrepreneurial intentions in Indonesia has predominantly focused on the positive aspects that attract individuals to entrepreneurship (pull factors). Therefore, based on the aforementioned information regarding the low growth of entrepreneurship, it is hypothesized that in Indonesia, MSME actors are presumed to have decided to become entrepreneurs not due to their inherent intention but rather because of various push factors compelling them to undertake this course of action.

An individual's intention to undertake a particular action may be influenced by what is termed a push factor. Push factor represents one classification within the theory of entrepreneurial motivation, which has been developed through a series of prior studies (Hakim, 1989; McClelland et al., 2005; Schjoedt and Shaver, 2007; Segal et al., 2005; Shapero and Sokol, 1982). Push factors refer to elements that propel individuals towards entrepreneurship due to dissatisfaction or unmet needs in their current situation. Previous research indicates that push factors (as well as pull factors) have an impact on an individual's motivation to engage in entrepreneurial activities (Joseph, 2017). Based on the aforementioned exposition, this research aims to analyze the influence of push factors on entrepreneurial intention and entrepreneurial behavior of MSMEs in North Jakarta.

Unemployment, classified as a push factor, is pertinent to Indonesia's current situation. Despite a decline in the unemployment rate from 6.26% in 2021 to 5.83% in 2022, this figure remains higher than the 4.94% recorded in 2020 (Badan Pusat Statistik, 2022; Tempo, 2022). Unemployment exerts a significant influence on an individual's entrepreneurial intentions and behaviors. When individuals experience unemployment or encounter difficulties in securing employment, they tend to explore alternative options, including initiating their business ventures. The uncertainty of employment prospects and the scarcity of job opportunities compel individuals to consider entrepreneurship as a viable solution to mitigate dependence on conventional employment. In challenging economic circumstances, individuals facing unemployment may opt for entrepreneurial pursuits. Entrepreneurship facilitates the generation of independent income, addresses employment uncertainty, and optimizes the utilization of existing skills. Unemployment serves as a catalyst, motivating individuals to undertake concrete measures in initiating and developing business enterprises.

Furthermore, a series of previous studies have confirmed the existence of a tendency for increased entrepreneurial activity during periods of high unemployment rates within a country (Constant and Zimmermann, 2004; Fairlie, 2013). Other studies also present the perspective that economic interactions with unemployment rates, culminating in the growth of entrepreneurship, can be identified as a "refugee effect." In this context, the "refugee effect" refers to the phenomenon wherein individuals are compelled to pursue entrepreneurship due to the pressures of prevailing environmental conditions (Vegetti and Adăscăliței, 2017). This assertion is further corroborated by empirical evidence from previous research, which

indicates that individuals who experience job termination have a propensity to pursue entrepreneurial careers (Mwangi and Rotich, 2019; Virick et al., 2015). Additionally, Yuen (2020) asserted that the high risk of unemployment constitutes one of the factors that reinforces an individual's decision to become an entrepreneur. Therefore, this study aims to examine whether, among the MSME owners in North Jakarta, unemployment serves as a factor that promotes entrepreneurial intention and the entrepreneurial behavior they exhibit.

Another factor categorized as a push factor to be examined in this study is job dissatisfaction. Job dissatisfaction can have a significant impact on an individual's entrepreneurial intention. Individuals who are dissatisfied with their current employment may feel compelled to seek alternatives, including entrepreneurship. Job dissatisfaction can also influence entrepreneurial behavior. Individuals who are dissatisfied with their current employment may be more inclined to pursue alternatives that provide them with greater control over their circumstances. A series of previous studies have demonstrated the significant influence of job dissatisfaction on entrepreneurial intention (Kuvshnikov and Kuvshnikov, 2023; St-Jean and Duhamel, 2020). This research was subsequently conducted to analyze further the influence of job dissatisfaction on entrepreneurial intention and entrepreneurial behavior among MSMEs in North Jakarta.

Unfavorable economic conditions, such as economic instability, high unemployment rates, or business uncertainty, can influence an individual's entrepreneurial intentions. When individuals face unstable or disadvantageous economic situations, they tend to be compelled to seek alternative sources of income and improved economic stability. Initiating one's own business may serve as a means to mitigate dependence on unstable economic conditions and create more controlled income opportunities. Furthermore, adverse economic situations can also affect entrepreneurial behavior. Individuals in challenging economic circumstances may be more motivated to innovate and pursue new opportunities in response to economic challenges. Unfavorable economic conditions can potentially act as a catalyst for risk-taking and the pursuit of novel business opportunities. These conditions may encourage individuals to take concrete steps in initiating and developing enterprises, particularly in situations where conventional employment may not be sufficiently stable or advantageous. Previous research has demonstrated that a country's social and political conditions have the potential to impact both positively and negatively on the entrepreneurial environment within that nation (Aldrich and Wiedenmayer, 2019). Additional research findings also indicate that the economic conditions in a country can influence the increase in individuals' interest to engage in entrepreneurial activities (Fernandes et al., 2018).

The unemployment rate in North Jakarta decreased from 7.05% in 2023 to 6.18% in 2024, reflecting a notable decline of 0.87 percentage points (BPS-Statistics DKI Jakarta Province, 2024b). This reduction, alongside similar trends across other Jakarta regions, suggests that a portion of the previously unemployed population may have transitioned into alternative economic activities, including entrepreneurship.

Moreover, in terms of business scale, North Jakarta ranks second in the number of small-scale industries, with 845 establishments (24.67%), indicating a significant presence of growing businesses beyond the micro level (BPS-Statistics DKI Jakarta Province, 2024a). While micro-industries dominate Jakarta's MSME landscape, the relatively high number of small-scale industries in North Jakarta suggests that many entrepreneurs in this region have successfully expanded their businesses. This further supports the notion that unemployment and economic conditions are key push factors driving individuals toward entrepreneurship.

Given North Jakarta's relatively high unemployment rate compared to South Jakarta (5.22% in 2024) and Central Jakarta (6.24% in 2024) (BPS-Statistics DKI Jakarta Province,

2024b), alongside its considerable number of small-scale industries, it is likely that many individuals turned to MSME ownership as a means of financial stability and business growth. This trend reinforces the relevance of North Jakarta as a focal point for examining the push factors that drive individuals to pursue entrepreneurship.

Therefore, this research was conducted to analyze further whether a favorable economic situation positively influences entrepreneurial intention and entrepreneurial behavior of MSMEs in North Jakarta. By examining the role of push factors such as unemployment, job dissatisfaction, and economic conditions, this study contributes to the ongoing discourse on entrepreneurial motivation in Indonesia. Furthermore, the findings of this research can offer valuable insights for policymakers, particularly in designing targeted interventions to support MSME development in urban areas with high unemployment rates.

## 2. Literature Review

### 2.1. Push Factor

Shapero and Sokol (1982) define push factors as negative elements that propel individuals toward entrepreneurship. A body of literature has delineated the components encompassed within push factors. Collins et al. (1964), Shapero and Sokol (1982), and Vesper (1990) assert that business failure, dismissal, or career stagnation can motivate an individual to pursue entrepreneurship. Brockhaus (1980) asserts that one of the factors influencing an individual's decision to become an entrepreneur is dissatisfaction with their previous employment. Furthermore, Piore and Sabel (1984) assert that unfavorable economic situations, such as crises, increase opportunities for entrepreneurship. While Niefert (2010), demonstrated that unemployment serves as a significant push factor in an individual's transition to entrepreneurship.

### 2.2. Unemployment

Merriam-Webster (2025) defines unemployment as the state of being without employment. This research aims to analyze how unemployment influences individuals' intentions and behaviors related to entrepreneurial activities. In a fluctuating economic context, unemployment often becomes a significant issue affecting numerous aspects of life. Being unemployed can influence an individual's perspective on career choices and available opportunities. A series of previous studies have identified the impact of unemployment on entrepreneurial intention (Mwangi and Rotich, 2019; Virick et al., 2015; Yuen, 2020). However, in contrast to the aforementioned series of studies, this research will also analyze the influence of unemployment on entrepreneurial behavior. Based on this statement, the hypotheses are formulated as follows:

**H1:** Unemployment positively influences the entrepreneurial intention of MSME actors in North Jakarta

**H2:** Unemployment positively influences the entrepreneurial behavior of MSME actors in North Jakarta

### 2.3. Job Dissatisfaction

Henne and Locke (1985) define job dissatisfaction as an undesirable emotional state that arises from an individual's evaluation of their work as frustrating, hindering the achievement of work values, or bringing negative values. Individuals experiencing dissatisfaction with their current employment may feel compelled to seek alternatives, including entrepreneurship. Job dissatisfaction can also influence entrepreneurial behavior.

Those who are dissatisfied with their current occupation may be more inclined to pursue alternatives that provide them with greater control over their circumstances. When individuals experience frustration or dissatisfaction with their employment, they may feel motivated to seek more beneficial or satisfying pathways. By becoming entrepreneurs, they can create a work environment aligned with their principles and values, as well as avoid limitations or obstacles they may have encountered in their previous employment.

The influence of job dissatisfaction on entrepreneurial intention has been substantiated in the extant corpus (Kuvshnikov and Kuvshnikov, 2023; St-Jean and Duhamel, 2020). However, not limited to intention, this research also aims to examine the impact of job dissatisfaction on entrepreneurial behavior. Therefore, the following hypotheses are formulated:

**H3:** Job dissatisfaction positively influences entrepreneurial intention among MSME actors in North Jakarta

**H4:** Job dissatisfaction positively influences entrepreneurial behavior among MSME actors in North Jakarta

## 2.4. Economic Situation

Unfavorable economic conditions can catalyze risk-taking and the pursuit of novel opportunities in the business realm. This phenomenon may propel individuals to undertake concrete measures in initiating and expanding enterprises, particularly in circumstances where conventional employment may lack stability or profitability. Previous research suggests that a nation's entrepreneurial environment can be influenced, both positively and negatively, by its social and political conditions (Aldrich and Wiedenmayer, 2019). Additional research also indicates that economic conditions may influence an individual's increased interest in engaging in entrepreneurial activities (Fernandes et al., 2018). Therefore, further research was conducted to analyze the influence of the economic situation on the entrepreneurial intention of MSMEs in North Jakarta.

The economic situation can also serve as a motivating factor for individuals to initiate their enterprises. Individuals may perceive that relying on existing employment could pose risks of job loss or career stagnation. In unfavorable economic conditions for employment, individuals may deem it necessary to seek additional sources of income. Such economic circumstances may act as a catalyst for individuals to create new products or services that address existing problems. A series of studies have confirmed the impact of the economic situation on entrepreneurial intentions (Alonso et al., 2016; Gil-Soto et al., 2022; Ozaralli and Rivenburgh, 2016; Vegetti and Adăscăliței, 2017).

According to several previous studies, research indicates that workers who lose their employment during adverse economic conditions are often compelled to accept any available job due to the scarcity of more favorable opportunities (Voßemer, 2018). Based on this statement and the current reality of the difficulty in finding employment in Indonesia, this research posits that unfavorable economic conditions may strengthen the intention of unemployed individuals to become entrepreneurs due to the absence of other available employment opportunities. Another study also indicates that those who have experienced job dissatisfaction or have been unable to secure better employment may decide to initiate a business venture as a means of sustaining their livelihood (Jeong dan Choi, 2017).

**H5:** The economic situation positively influences entrepreneurial intention.

**H6:** The economic situation positively influences entrepreneurial behavior.

### 2.5. Entrepreneurial Behavior

Entrepreneurial behavior elucidates the creation of ventures undertaken by individuals, representing a consciously and systematically executed behavior. Consequently, this concept aligns appropriately when associated with models incorporating entrepreneurial intention (Schlaegel and Koenig, 2014). A significant positive influence of entrepreneurial intention on entrepreneurial behavior has been observed in a series of previous empirical studies (Bogatyreva et al., 2019; Li et al., 2020; Yi, 2021). This research will also examine whether the influence of unemployment, job dissatisfaction, and economic situation on entrepreneurial behavior is mediated by entrepreneurial intention. Based on the aforementioned exposition, the hypotheses in this study are formulated as follows:

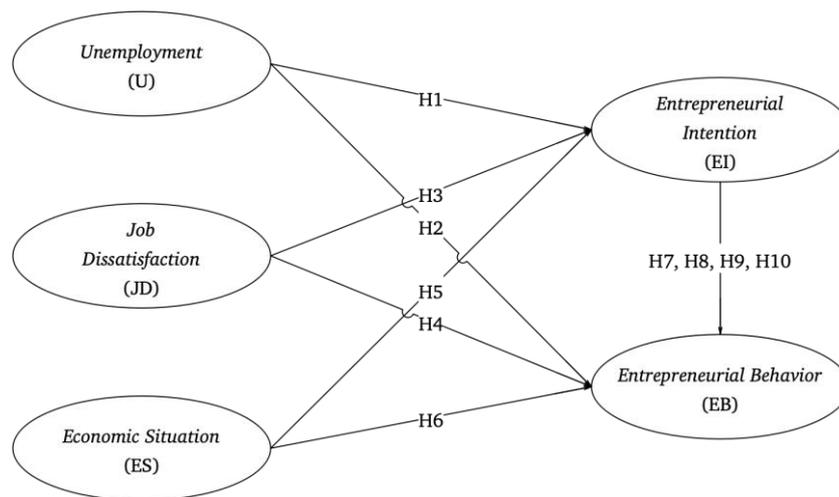
**H7:** Entrepreneurial intention positively influences entrepreneurial behavior

**H8:** Entrepreneurial intention mediates the effect of unemployment on entrepreneurial behavior

**H9:** Entrepreneurial intention mediates the effect of job dissatisfaction on entrepreneurial behavior

**H10:** Entrepreneurial intention mediates the effect of the economic situation on entrepreneurial behavior

Based on the series of discussions above, the conceptual framework can be structured as follows:



**Figure 1. Conceptual Framework**

Source: Authors' Work, 2025

### 3. Methods

The population and sample boundaries employed in this study encompass MSME owners. For this research, the sampling technique utilized is the non-probability purposive sampling method, wherein questionnaires are distributed to MSME owners in North Jakarta. The indicators used in this study are adapted from previous research related to unemployment (Vesalainen and Pihkala, 1999), job dissatisfaction (Stephan et al., 2015), economic situation (Nabi and Liñán, 2013), entrepreneurial intention (Liñán and Chen, 2009), and entrepreneurial behavior (Giones et al., 2020).

Previous research has indicated that an R<sup>2</sup> value considered sufficient to explain a variable should be at least greater than 0.25. (Chin, 1998; Falk and Miller, 1992; Hair et al., 2014). According to Hair et al. (2014), the recommended sample size with a statistical power

of 80% for research involving four independent variables is 65 respondents, given a significance level of 5% and an R<sup>2</sup> of at least 0.25. Therefore, this study will utilize a minimum of 65 respondents to conduct the analysis.

In this research, the analytical method employed is Partial Least Square (PLS). PLS is considered an alternative analytical method due to its applicability across all data scales, minimal assumptions required, and flexibility regarding sample size. In addition to its utility in theory confirmation, PLS can be utilized to establish relationships lacking theoretical foundations or for proposition testing (Ghozali and Latan, 2015).

## 4. Results and Discussion

### 4.1. Research Results

#### 4.1.1. Respondents' Profile

The following presents a descriptive profile of MSME owners in North Jakarta who served as respondents for this research:

**Table 1. Respondents' Profile**

Respondents' Profile	Amount	Percentage
Age (in years)	17-20	2,5
	21-30	10,0
	31-40	40,0
	41-50	37,5
	> 50	10,0
	Total	80
Gender	Male	43,8
	Female	56,3
	Total	100,0
Length of Business Establishment (in years)	1-5	25,0
	6-10	42,5
	11-15	18,8
	16-20	7,5
	21-25	2,5
	26-30	2,5
	31-35	1,3
	Total	80

Source: Processed Data, 2025

From the 80 MSME owners in North Jakarta who participated in the research, the majority, comprising 32 individuals (40%), were aged 31-40 years. Thirty respondents (37.5%) were aged 41-50 years, whilst eight respondents (6.8%) were over 50 years old. An additional eight respondents (6.8%) were aged 21-30 years, and only two respondents (2.5%) were aged 17-20 years. Regarding gender distribution, the majority of MSME owners in North Jakarta who participated in the research were female, totaling 45 individuals (56.3%), whilst male respondents numbered 35 (43.8%). Concerning the duration of business operations, the majority of MSME owners in North Jakarta who participated in the research had been in business for 6-10 years, accounting for 34 individuals (42.5%). Twenty respondents (25%) had been operating for 1-5 years, 15 respondents (18.8%) for 11-15 years, and six respondents (7.5%) for 16-20 years. Two respondents (2.5%) each had been in business for 21-25 years and 31-35 years, respectively, whilst one respondent (1.3%) had been operating for 31-35 years.

### 4.1.2. Outer and Inner Model Evaluation

**Table 2. Outer and Inner Model Evaluation**

Variable: Indicator	Loading*)	Loading**)	AVE**)	√AVE	Composite Reliability**)	R <sup>2</sup>	Q <sup>2</sup> Pred. Rel.
U : U1	0,540	0,542	0,5004	0,707	0,831		
U2	0,645	0,646					
U3	0,829	0,827					
U4	0,788	0,788					
U5	0,698	0,697					
JD : JD1	0,882	0,880	0,6415	0,801	0,841		
JD2	0,854	0,853					
JD3	0,646	0,650					
ES : ES1	0,872	0,872	0,7100	0,843	0,907		
ES2	0,817	0,817					
ES3	0,816	0,816					
ES4	0,864	0,863					
EI : EI1	0,613	0,613	0,7019	0,838	0,933	0,466	0,271
EI2	0,836	0,836					
EI3	0,883	0,882					
EI4	0,919	0,919					
EI5	0,870	0,870					
EI6	0,870	0,870					
EB : EB1***)	0,114		0,5285	0,727	0,817	0,359	0,124
EB2	0,785	0,787					
EB3	0,714	0,715					
EB4	0,634	0,635					
EB5	0,764	0,762					
EB6***)	0,033						

\*: original value

\*\*: after the elimination of loading < 0,40

\*\*\*: loading < 0,40

Source: Processed Data, 2025

**Table 3. Fornell-Larcker Criterion**

	U	JD	ES	EI	√AVE
JD	0,422				0,801
ES	0,257	0,121			0,843
EI	0,282	0,230	0,659		0,838
EB	0,340	0,170	0,429	0,579	0,727
√AVE	0,707	0,801	0,843	0,838	

Source: Processed Data, 2025

The convergent validity assessment revealed that two indicators, SE8 and ES3, had loading factor values below 0.40, rendering them invalid as they failed to meet the required criteria. These indicators were subsequently eliminated, and the test was conducted again. In the subsequent analysis, two additional indicators, EB1 and EB6, were found to have loading factor values less than 0.40, thus failing to satisfy the convergent validity requirements. After removing these indicators, all remaining indicators were deemed valid, demonstrating loading factor values of 0.40 or higher and Average Variance Extracted (AVE) values for all variables meeting or exceeding 0.50.

The discriminant validity assessment revealed that the minimum √AVE value was 0.707, whilst the maximum correlation value stood at 0.659. These findings suggest that all √AVE values exceeded the inter-variable correlation values, thereby confirming that the variables under investigation exhibited satisfactory discriminant validity.

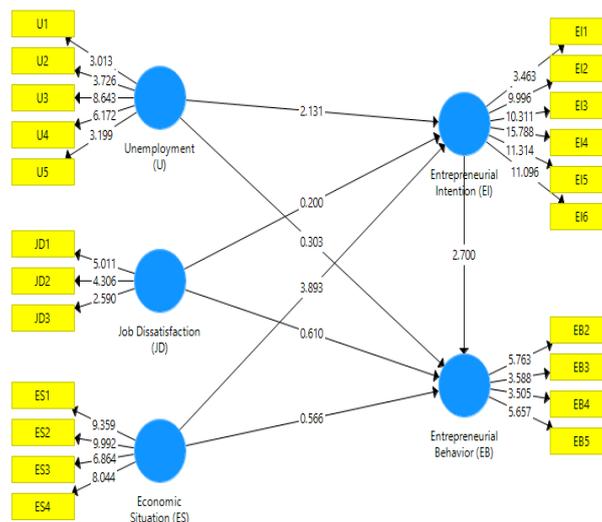
All research variables demonstrated composite reliability scores of 0.70 or higher, indicating that they satisfied the criteria for internal consistency and were deemed reliable.

The entrepreneurial intention variable exhibited an R2 value of 0.466, suggesting that 46.6% of its variance could be attributed to unemployment, job dissatisfaction, and economic situation, whilst the remaining 53.4% was accounted for by factors outside the research model. Similarly, the entrepreneurial behavior variable demonstrated an R2 value of 0.359, indicating that 35.9% of its variance was explicable by unemployment, job dissatisfaction, economic situation, and entrepreneurial intention, with the remaining 64.1% being influenced by variables not included in the research model.

The model's predictive relevance was assessed using Q2 values for entrepreneurial intention and entrepreneurial behavior, which were found to be 0.271 and 0.124, respectively. As both figures exceed zero, this indicates that the model demonstrates strong predictive capability.

### 4.1.3. Hypotheses Testing

Hypothesis testing was conducted based on the path diagram results in Figure 2 and Table 4. The research hypothesis was accepted if the path coefficient aligned with the hypothesis and the t-statistic > 1.64 (critical value at alpha 5%, one-tailed) or p-value < 0.05 (alpha 5%).



**Figure 2. Path Diagram**  
Source: SmartPLS (2025)

**Table 4. Path Coefficient**

	Path Coefficient	T-Statistic	P-Value
U → EI	0,172	2,131	0,017*
U → EB	0,045	0,303	0,381
JD → EI	0,023	0,200	0,421
JD → EB	0,118	0,610	0,271
ES → EI	0,612	3,893	0,000*
ES → EB	0,079	0,566	0,286
EI → EB	0,492	2,700	0,004*
U → EI → EB	0,085	1,713	0,044*
JD → EI → EB	0,011	0,237	0,407
ES → EI → EB	0,301	2,081	0,019*

U: Unemployment; JD: Job Dissatisfaction; ES: Economic Situation; EI: Entrepreneurial Intention; EB: Entrepreneurial Behavior

\*: Significant Result

Source: SmartPLS, 2025

## 4.2. Discussion

The statistical findings lend support to the acceptance of the study's first hypothesis. Evidence suggests that unemployment wields a positive and significant impact on individuals' inclination towards entrepreneurship. This observation corroborates the results of multiple earlier investigations, which have documented a substantial link between unemployment and the propensity to engage in entrepreneurial activities (Mwangi and Rotich, 2019; Virick et al., 2015; Yuen, 2020). One significant factor influencing entrepreneurial intentions among MSME owners in North Jakarta, as indicated by the previous statement, is unemployment. It can be inferred that prior to deciding to become entrepreneurs, the majority of MSME owners were individuals who were unemployed and faced difficulties in securing employment. This finding reinforces the preceding argument that in situations of high unemployment rates, entrepreneurship becomes the sole option for individuals who struggle to obtain employment (Constant and Zimmermann, 2004; Fairlie, 2013). These findings also contribute to the hypothesis of a refugee effect, wherein an individual does not initially intend to become an entrepreneur but ultimately must pursue entrepreneurship due to circumstances imposed upon them (Vegetti and Adăscăliței, 2017). This result further corroborates the assertion that unemployment's capacity to propel an individual towards entrepreneurship is likely attributable to the individual's endeavor to fulfill their basic needs (entrepreneurship by necessity) (Thornton and Klyver, 2019). The result also reinforces the distinction between necessity-driven and opportunity-driven entrepreneurs, where the former is compelled into entrepreneurship due to external pressures rather than a proactive search for business opportunities.

Based on the results presented in the preceding section, it is concluded that the second hypothesis in this study is rejected. Unemployment does not exert a significant influence on entrepreneurial intention. However, the findings of the eighth hypothesis reveal that the effect of unemployment on entrepreneurial behavior is fully mediated by entrepreneurial intention. From these results, it can be inferred that unemployment will only become a factor influencing entrepreneurial behavior when entrepreneurial intention is present. These findings corroborate previous research asserting that entrepreneurial actions are invariably preceded by entrepreneurial intentions (Krueger, 2007). These findings further corroborate the assertion that entrepreneurial intention is the sole variable capable of manifesting entrepreneurial behavior (Ajzen, 1991, 2001; Fishbein and Ajzen, 1975). When individuals engage in entrepreneurship solely due to unemployment, they may lack the capacity to address the myriad challenges and uncertainties inherent in entrepreneurial activities. The presence of entrepreneurial intention can enhance the motivation of previously unemployed individuals to pursue entrepreneurship. Entrepreneurial intention plays a crucial role in augmenting an individual's capability to confront various risks encountered during the operation of their venture. However, necessity-driven entrepreneurs may struggle with long-term business viability if their ventures are purely reactive responses to economic hardship. Without proper support mechanisms such as training programs, access to credit, and mentorship, these businesses risk remaining in the informal sector with limited potential for expansion. Policymakers should consider interventions that transform necessity-driven entrepreneurship into sustainable business endeavors, ensuring that these entrepreneurs do not merely engage in subsistence-level activities but can transition into growth-oriented enterprises.

Statistical analysis indicates that the third hypothesis is rejected. Job dissatisfaction is demonstrated to have no significant influence on entrepreneurial intention. This conclusion contradicts various previous statements that indicated a significant effect of job dissatisfaction on entrepreneurial intention (Kuvshinikov and Kuvshinikov, 2023; St-Jean and Duhamel,

2020). The rejection of the fourth and ninth hypotheses is further substantiated by these results, which reveal that job dissatisfaction exerts no substantial effect on entrepreneurial behaviour. Moreover, the findings indicate that entrepreneurial intention does not act as an intermediary between job dissatisfaction and subsequent entrepreneurial behavior. Based on these results, it can be concluded that MSME owners in North Jakarta may have previously been unemployed, thus explaining why job dissatisfaction is not a significant factor underlying their entrepreneurial intentions. The statistical results indicating a decrease in unemployment and a relatively high number of entrepreneurs in North Jakarta, as discussed in the previous section, further justify these findings. Indirectly, these results strengthen the previous assumption that one of the most influential factors in the manifestation of entrepreneurial intention and entrepreneurial behavior, particularly among MSME owners in North Jakarta, is unemployment.

Based on the statistical results, the fifth hypothesis in this research is accepted. The economic situation is demonstrated to have a positive and significant influence on entrepreneurial intention. This finding aligns with a series of previous studies that have reported a significant impact of the economic situation on entrepreneurial intention (Alonso et al., 2016; Gil-Soto et al., 2022; Ozaralli and Rivenburgh, 2016; Vegetti and Adăscăliței, 2017). In addition to unemployment, the economic situation constitutes a significant factor influencing the emergence of entrepreneurial intentions among MSME owners in North Jakarta. Beyond unemployment, these individuals are confronted with an economic situation wherein entrepreneurship emerges as the sole viable option for meeting their daily subsistence needs. In a context where an individual is presented with entrepreneurship as the only available choice, such circumstances are likely to enhance that individual's entrepreneurial intentions (Usman and Sun, 2022). Additional research also indicates that entrepreneurship in a developing nation serves as a potential avenue for individuals to ameliorate their current economic circumstances (Virasa et al., 2022). Indonesia's entrepreneurial landscape shares similarities with other ASEAN economies, particularly in necessity-driven entrepreneurship, where unemployment and economic hardship push individuals into business. However, compared to countries like Singapore and Malaysia, where entrepreneurship is more opportunity-driven due to stronger institutional support, Indonesia's MSMEs face greater regulatory and financial barriers. Additionally, while entrepreneurial intention is crucial across ASEAN, variations exist in government policies, access to finance, and business formalization (OECD et al., 2024).

The economic situation was found to have no significant influence on entrepreneurial intention, thus rejecting the sixth hypothesis in this study. Concurrently, the impact of the economic situation on entrepreneurial behavior was demonstrated to be fully mediated by entrepreneurial intention, thereby accepting the tenth hypothesis. Based on these results, it can be concluded that the economic situation will only become a factor influencing entrepreneurial behavior when entrepreneurial intention is present. This outcome reinforces the statement discussed in the previous section regarding the role of entrepreneurial intention in relation to entrepreneurial behavior (Ajzen, 1991, 2001; Fishbein and Ajzen, 1975; Krueger, 2007). It can be concluded that MSME actors in North Jakarta initiate entrepreneurial activities due to the absence of alternatives to support their daily living requirements. The intention to engage in entrepreneurship continues to play a crucial role in the efforts of MSME actors in North Jakarta to address various challenges and risks that arise in entrepreneurial activities. The result aligns with the broader discourse on necessity-driven entrepreneurship, which is prevalent in developing economies where formal employment opportunities are limited. In such contexts, individuals often turn to entrepreneurship out of economic

compulsion rather than aspiration. While this fosters high levels of entrepreneurial activity, it does not always translate into innovation-driven enterprises.

Based on the statistical results presented in the preceding section, the seventh hypothesis in this study is accepted. Entrepreneurial intention is demonstrated to have a significant influence on entrepreneurial behavior. This finding aligns with various prior studies that have established a significant relationship between entrepreneurial intention and entrepreneurial behavior (Bogatyreva et al., 2019; Li et al., 2020; Yi, 2021). This result further substantiates the assertion that entrepreneurial behavior is invariably preceded by entrepreneurial intention (Krueger, 2007) and entrepreneurial intention constitutes the sole factor capable of predicting entrepreneurial behavior (Ajzen, 1991, 2001; Fishbein and Ajzen, 1975). Entrepreneurial intention directly influences an individual's decision-making process regarding their involvement in entrepreneurial activities (Krasniqi et al., 2019). Without the intention to become an entrepreneur, an individual has a high probability of not initiating a business venture. A strong entrepreneurial intention also contributes to an individual's perseverance and commitment to overcome obstacles and challenges encountered during the entrepreneurial process.

## 5. Conclusion

Based on the research findings, it can be said that unemployment has a significant influence on entrepreneurial intention, which is consistent with previous studies. However, unemployment does not directly affect entrepreneurial behavior without the presence of entrepreneurial intention. Not all factors assumed to have a significant influence on entrepreneurial intention were substantiated in this study. Job dissatisfaction was not found to have a significant influence on entrepreneurial intention and entrepreneurial behavior. Furthermore, entrepreneurial intention did not mediate the effect of job dissatisfaction on entrepreneurial behavior. Economic situation was demonstrated to have a direct influence on entrepreneurial intention but did not directly affect entrepreneurial behavior without the presence of entrepreneurial intention. Entrepreneurial intention was proven to be the primary mediator between antecedent variables such as unemployment and economic situation with entrepreneurial behavior.

This study has certain limitations that should be acknowledged. First, the reliance on self-reported data for measuring entrepreneurial intention may introduce response biases, as participants might overstate or understate their intentions due to social desirability or personal optimism. Future research could address this limitation by incorporating qualitative methods, such as in-depth interviews or focus group discussions, to gain deeper insights into individuals' entrepreneurial motivations and decision-making processes. Additionally, the cross-sectional nature of this study limits the ability to establish causal relationships, highlighting the need for mixed-method approaches that combine surveys with qualitative data to provide a more comprehensive understanding of entrepreneurial intention and behavior.

Future studies could explore other factors that may influence entrepreneurial intention, such as individual psychological factors, education, and social environment. Further research is necessary to understand the relationship between job dissatisfaction and entrepreneurial intention, as well as the role of other factors that may mediate this relationship. It is important to consider different social, economic, and cultural contexts in understanding the impact of unemployment and economic situation on entrepreneurial intention and behavior. Forthcoming longitudinal studies may provide deeper insights into how changes in economic

conditions and environment can influence changes in entrepreneurial intention and entrepreneurial behavior over time. Policy implications from this research underscore the importance of providing support and resources for individuals who wish to start their businesses, particularly in the context of high unemployment rates or challenging economic situations. Specific policy measures should be considered, such as the development of targeted entrepreneurial training programs that focus on essential business skills, financial literacy, and market adaptability. Additionally, microfinance initiatives and low-interest loan schemes could help necessity-driven entrepreneurs access capital, reducing financial barriers to entry and enhancing business sustainability. Government and private sector collaborations could further strengthen these efforts by offering structured mentorship programs and incubation centers to assist new entrepreneurs in navigating market challenges.

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