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Entrepreneurial Readiness: What Are The Roles Of Entrepreneurial Education, Environment And Student's Mindset?

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Abstract. The objective of this study is to analyze students' entrepreneurial readiness after taking Entrepreneurship course, which is a part of the educational curriculum, at their campuses. The data were obtained from questionnaires and processed in WarpPLS 5.0. The sample of this study is 323 students who have taken Entrepreneurial Education course. This study finds that Entrepreneurial Education will be more effective in affecting entrepreneurial readiness if the students' mindset regarding entrepreneurship has been established. Furthermore, the mindset is affected by the entrepreneurship course and their environment. Therefore, this study suggests the necessity of shaping a more positive mindset towards entrepreneurship in students before they take entrepreneurship course

Keywords. Entrepreneurship Education, Mindset, Entrepreneurial Readiness, Social Capital, Mental Capital

1. Introduction

Entrepreneurship has been long believed by economists as one of the keys for communal economic growth. They always relate the economic growth of certain countries with the number of entrepreneurs in them. They believe that the more the number of entrepreneurs, the higher the welfare and the economic growth. The believe makes countries, including Indonesia, accelerate the growth of entrepreneurship. The rationale of the importance of entrepreneurship growth was presented by Acs (2006), stating that the growth of new entrepreneurship will be followed by the creation of new employments, indicating resource distribution that increase competition.

Several other experts who examined the relationship between entrepreneurship and economic growth are (Baumol & Strom, 2007; Holcombe, 1998; Thurik & Wennekers, 2004; Wennekers & Thurik, 1999). The agreed that entrepreneurship growth positively influences economic growth. Meanwhile, other researchers studied building entrepreneurial mentality, factors affecting the intention of individuals to be entrepreneurs (Iqbal, Melhem, & Kokash, 2012; Nguyen, Do, Vu, Dang, & Nguyen, 2019), and preparing students to become entrepreneurs (Cui, Sun, & Bell, 2019; Othman, Hashim, & Ab Wahid, 2012; Zulfiqar, Asmi, Chandia, Sarwar, & Aziz, 2017).

This condition encourages countries to create new entrepreneurs through policies. Indonesian government incorporates their educational resource, from primary, secondary, to tertiary education, to create new entrepreneurs through entrepreneurial education. In Indonesia there are preschools that already have introduced entrepreneurship using a very simple method such as taking the students to visit companies. This is quite reasonable because some studies found that entrepreneurial education significantly affect the empowerment of youngsters (Aja-Okorie & Adali, 2013), women (Kumar & Kalyani, 2011; Rangarajan & Lakshmi, 2013), and people with disabilities (Akinyemi, 2016).

However, in the context of Indonesia, there is an interesting matter in regards to the readiness of students to get engaged in entrepreneurship as a profession. The number of entrepreneurs is still relatively low. In 2014, only 1.56% of the population work as entrepreneurs. Until 2019, the number of entrepreneurs reached 5% of 267 million population. It means that in 2019 the number of entrepreneurs in Indonesia reached 13,350,000 people. The figure is still far from ideal, which is 14% of the population. Therefore, Indonesia must have at least 37,300,000 entrepreneurs. The low growth of new entrepreneurs strongly indicates that educational institutions are not optimal in preparing students to become entrepreneurs. This is strengthened by Purnomo (2015) by stating that entrepreneurial education in Indonesia is not effective.

Entrepreneurial education is indeed not the only variable that affects student's readiness to become entrepreneurs. Another factor that contributes to the readiness is the environment where students interact. Environments, such as family, friends, campus, and social media, shape the behavior of individuals (Rani & Khandelwal, 1992; Sengupta, Das, & Maji, 2010).

2. Literature Review

2.1. Entrepreneurial Readiness

Entrepreneurial readiness is the mental condition of a person to work as an entrepreneur. The readiness is marked by a person's competence to observe and analyze the environment so that he can use his creative and productive potentials to explore his entrepreneurial potentials (Olugbola, 2017). This definition implies that entrepreneurial readiness depends on the ability to explore various environmental opportunities and use entrepreneurial ability based on the resource at hand. This is relevant with Carsrud and Brännback (2009), who proposed that entrepreneurial readiness depends on the mindset (tendency) towards entrepreneurial activities. Further, entrepreneur candidates tend to have a positive mindset towards entrepreneurial activities if they feel ready and have what it takes to become successful entrepreneurs. Therefore, measuring people's readiness, in this case students' readiness, can be done by using several parameters such as social, knowledge, and mental capital.

Readiness theory is the readiness or the willingness of a person to do something. According to Wood et al. (2014) is the entire characteristics or strength that make a person to react in certain ways. A person can start learning something if he has the readiness to learn it. In fact, each individual is different, so he has his own unique and distinct growth background. Thus, a person will act in such a way according to his experience, making him react to something according to his own way. Entrepreneurial readiness includes (1) physical, mental, and spiritual personal preparation, (2) personality preparation, (3) skill development preparation, (4) business and venture activity preparation, and (5) product marketing ability preparation. Based on the explanation, it can be concluded that in general entrepreneurial readiness can be observed from the ownership of several capitals, i.e. (1) social capital, (2) knowledge capital, and (3) mental capital.

2.2. Entrepreneurial Education

Entrepreneurship is a creative human activity that change valueless items into valuable ones. It creates opportunities from insufficient resources. It requires vision, determination, and commitment to lead or control other people to make the vision come to reality. It also requires bravery to take any pre-calculated risks. According to Frinces (2010), entrepreneurs are people who have the instinct (courage, spirit, logic, intuition, and competence) for business. They are investment risk taker, willing to bear losses in gaining profits, and revolutionary (whenever required) to create progress at any time. Based on the aforementioned opinions, entrepreneurship can be interpreted as creative and innovative competence processes that are used as the foundation, tips, and resources to seek opportunities for success.

Entrepreneurship has reached education, integrated into school and university curriculum. The term of entrepreneurial education becomes popular among the societies. According to Wibowo (2011), entrepreneurial education is an effort of internalizing entrepreneurial soul and mentality through either educational institution or other institutions such as trainings. Entrepreneurial education is designed to plant competence, skills and values required in recognizing business opportunities and starting and managing new ventures (Prabandari & Sholihah, 2015). The competence acquired by the education participants is not limited to selling goods or services, as perceived by wider communities who consider that entrepreneurship is merely commerce. Based on the explanation above, it can be concluded that entrepreneurial education is a conscious effort taken by educational institutions to instill entrepreneurial knowledge, values, soul, and attitude to students to create strong and reliable entrepreneurs who can improve people's welfare. Entrepreneurial education is measured using four indicators, such as teacher's competence, learning material, and learning method.

2.3. Student's Environment

Humans as social beings will always be in contract with the surrounding environments (Loehlin, 1992). It is the environment that directly and indirectly influences their characteristics. Environmental condition is narrowly defined as the nature outside the individuals. Widely defined, environmental condition covers the entire material and stimuli inside and outside the individuals, either physiologic, psychologic, or sociocultural. Physiologically, environment includes all physical and material condition inside the body (Loehlin & Nichols, 2012). Psychologically, environment covers all received by individuals since they are in conscience state, birth, and death. Sociocultural-wise, environment encompasses stimulus, interactions, and relationship in regards to other people's treatments and works.

Environment in this study is the place where students interact and are involved in activities. Some researchers believed that environment can influence and shape a person's characteristics, including shaping his entrepreneurial mindset and spirit. The environment analyzed in this study includes family environment, campus environment, friendship environment, and social media environment. According to Zilanawala, Sacker, and Kelly (2019), identification of a person's attitude incorporates identification on his family environment. They believe that family environment is the one that affect a person's behavioral profile. Regarding friendship environment, Mercken, Snijders, Steglich, Vartiainen, and de Vries (2010) reported that friendship influences a person's behavior. Although social media in Indonesian context is categorized into a relatively new technology, its influence on teenager's behavior is very real. This condition justifies the finding of Vannucci, Simpson, Gagnon, and Ohannessian (2020) that social media is confirmed of influencing people's behavior.

2.4. Mindset

Mindset is a collection of beliefs that influence a person's behavior and attitude that finally determine his level of success (Cui et al., 2019). It is stated further that humans do something by the urge of their mindset. Thus, it is mindset that moves, pushes, or becomes the foundation of humans to do something. Therefore, if we are going to make somebody to do or not to do something, the first thing that must be manipulated is his mindset. Changes of mindset causes changes in conduct.

The mindset of a person in seeing something sensed by the senses will produce attitude reactions that are visible in behavior. Therefore, mindset is a person's self-filter in interpreting all that he has seen and experienced. This is relevant with the opinion of Armor and Taylor (2003) that a person's mindset and perspective that are used to respond any problems will affect and shape his behavior. Mindset is a certain way of reacting to a phenomenon or problem

shaped from a series of one's beliefs (Dweck, 2008). Dweck stated further that an individual's mindset is categorized into two: fixed mindset and growth mindset. People with fixed mindset are difficult to accept any views coming from other people. Their characteristics are negative, hopeless, tend to blame self-weaknesses, always see the negative side of themselves, taking failures as the end of everything, and giving up without any willingness to retry. People with growth mindset are no quitter. They tend to think positively, are able to improve themselves by looking at their weaknesses, believe that human's ability is dynamic and improvable through good efforts. Therefore, they learn from mistakes and retry upon failures.

2.5 Conceptual Framework and Hypothesis Development

2.5.1 Conceptual Framework

Student's entrepreneurial readiness as the key to encourage students to do their profession as entrepreneurs is affected by many factors, one of which is entrepreneurial education (Othman et al., 2012), their environments (Rutter, 2005), and their mindset (Dweck, 2008). Positive environments are believed providing encouragement through the shaped perceptions; for instance, knowledge sharing activities among involved individuals that affect mentality (Rutter, 2005; Thompson et al., 2007). Student's environment includes family, friendship, and social media. Environment is also believed shaping a person's mindset. This is supported by several research results stating that changes in work environment and policies affect an individual's mindset (DeLuca, Coombs, & LaPointe-McEwan, 2019; Kim, Shin, Tsukayama, & Park, 2020).

Entrepreneurial education is assessed through teacher's competence, learning material, and learning method, mindset is assessed through fixed mindset and growth mindset, and readiness is assessed through the ownership of student's individual and social capital, intellectual capital, and mental capital. Based on the theory, the researchers built their conceptual framework, as seen in Figure 1 below, as the foundation of the hypothesis development.

Figure 1: Research Conceptual Framework

2.5.2 Hypothesis Development

Entrepreneurial Education, Student's Mindset, and Student's Entrepreneurial Readiness

One of the factors believed by many people affecting individuals' mindset is education (Cui et al., 2019). It is through education that a person can acquire various knowledge, either cognitive, affective, or psychomotor, from which a mindset that underlies responses to any situation is built. Using the above framework, in order to build student's mindset and to prepare students to become entrepreneurs, entrepreneurial education is considered as an important factor (Raza, Muffatto, & Saeed, 2019). Therefore, hypotheses 1 and 2 are as follows.

H1 : Entrepreneurial education positively and significantly influences student's mindset

H2 : Entrepreneurial education positively and significantly influences student's Entrepreneurial Readiness

Student's Environment, Student's Mindset, and Student's Entrepreneurial Readiness

Another factor that is also believed affecting an individual's mindset is the environment where the person lives and grows. According to Dweck (2008), environment, starting from family environment where a person starts to grow, parents' role, friendship environment, education environment where a person studies, and social media environment where a person interacts, plays an important role in shaping a person's mindset.

In the context of a person's readiness to become an entrepreneur, environment is also considered significantly influential. The views of family and friends about entrepreneurship, as well as education and social media environments, affects entrepreneurial intention, which influences an individual's eagerness to prepare himself to become an entrepreneur. School or campus environments that are conducive to develop student's entrepreneurial creativity and innovation also affect student's entrepreneurial readiness. Therefore, hypotheses 3 and 4 are as follows.

H3 : Student's environment positively and significantly influences student's mindset

H4 : Student's environment positively and significantly influences entrepreneurial readiness

Student's Mindset and Entrepreneurial Readiness

Mindset as a perspective accumulated from education, experience, and environmental effect will be formed in such a way into beliefs regarding who we are and what we can do, which importantly control a person's decision in response to the existing circumstances (Dweck, 2008). As well in the context of entrepreneurial mindset, growth mindset is believed providing warranties on a person's success in entrepreneurship. In contrast, fixed mindset is

believed contributing a person's failure in entrepreneurship. Where the former encourages people to be motivated in preparing themselves to engage in entrepreneurship, the latter, in contrast, makes people leave entrepreneurship. Therefore, hypotheses 5, 6, and 7 are as follows.

H5 : Student's mindset positively and significantly influences entrepreneurial readiness

H6 : Student's mindset mediates the effect of entrepreneurial education on entrepreneurial readiness

H7 : Student's mindset mediates the effect of student's environment on entrepreneurial readiness

3 Research Method

The objective of this research is to analyze whether students who have taken Entrepreneurial Education course in the campus have the readiness to work as entrepreneurs. Several variables related to the establishment of entrepreneurial mentality were included in the research model to be analyzed so that whether or not the variables shape student's entrepreneurial readiness and which variable that has the strongest influence on the readiness can be identified.

This study uses quantitative approach. The population of this study is all students from various program who have taken Entrepreneurial Education course, or similar courses with different names according to regulation of the program. The number of the sample follows the theory of Roscoe in Sekaran and Bougie (2016) that sample number is at least ten times of the incorporated variables or indicators. The sample of this study is fifteen times of the indicators or variables referring to Cooper and Emory (1995). Since this study uses four variables and fifteen indicators, 323 was set as the sample number. The respondents from each faculty were selected proportionately according to the percentage of total students.

The respondents were randomly selected representing all faculties, i.e. Law, Agriculture, Animal Husbandry, Engineering, Mathematics and Science, Teacher Training and Education, Economics, Administration, and Medical. the determination of the faculty is based on the faculty naming commonly found in Indonesian higher education. This study uses questionnaires in gathering students' responses to the researchers' questions. The questionnaire was adopted from various sources. Interviews with several respondents were also conducted to obtain respondents' subjective opinion to support the discussion on data analysis results. The data measurement uses 5-point Likert scale (1 for strongly disagree, and 5 for strongly agree).

4 Data Analysis and Discussion

4.1 Description of Research Results

Descriptive analysis was used to describe respondent's profile which is based on the responses from the questionnaires. The respondent's characteristics of this research was grouped into various criteria: (1) based on the final grade of the course, 94% got As, and 6% got Bs; (2) based on parents' occupation, 20% are farmers and anglers, 19% are private employees, 15% are businesspeople, and the remaining were split into nineteen other professions; (3) based on other activities outside the campus, 23% take part time job, 77% only study; (4) based on independent business ownership, 27% have independent business, 73% do not have independent business; (5) based on involvement in campus organizations, 47% join campus organizations, 53% do not join campus organizations; (6) based on involvement in external organizations, 43% join external organizations, 57% do not join external organization.

Besides the aforementioned matters above, the researchers also asked the respondents about the most important element in entrepreneurial education. They were asked to arrange a number of elements according to their priority; the result is as follows.

Table 1. The Order of the Most Important Elements in Entrepreneurial Education

No	Element	Score (total respondents)
1	Competent entrepreneurship teacher or lecturer	127
2	Student Entrepreneurship product fairs	40
3	Complete Entrepreneurship Laboratory	44
4	Visit to entrepreneurial communities	95
5	Campus environments that support entrepreneurial practices	41
6	Entrepreneurship learning in the classroom	40
7	Technical trainings in goods and service production	43
8	Practice in running individual or group business	52
9	Interviews with businesspeople	56
10	Presentation about managing businesses	52
11	Joining entrepreneurship seminars	45
12	Internship in entrepreneurship communities	48
13	Availability of books about tips for successful entrepreneurship	42

4.2 Outer Model Evaluation

Outer model is used to measure the reliability and validity of latent variable comprising indicators. For variables with reflective indicators, outer model measurement uses the analysis results of loading factor, composite reliability, Average Variance Extracted, and discriminant validity. The results of the loading factor analysis is presented in Table 2.

Table 2. Indicator loading and cross loadings

VARIABLE	PKWU	LINGK	MINDS	KKWU	Type (a)	SE	P value
DSN	(0.883)	-0.120	-0.089	0.086	Reflect	0.049	<0.001
MAT	(0.930)	-0.063	-0.003	0.087	Reflect	0.048	<0.001
MTD	(0.860)	0.192	0.095	-0.182	Reflect	0.049	<0.001
LKMPS	0.344	(0.707)	0.210	-0.370	Reflect	0.050	<0.001
LKLG	0.006	(0.776)	-0.251	0.274	Reflect	0.049	<0.001
LTMN	-0.028	(0.827)	-0.205	0.270	Reflect	0.049	<0.001
LSSMD	-0.280	(0.802)	0.269	-0.216	Reflect	0.049	<0.001
FIXM	-0.320	0.153	(0.800)	-0.425	Reflect	0.049	<0.001
GRWM	0.320	-0.153	(0.800)	0.425	Reflect	0.049	<0.001
MDS	0.023	-0.077	0.193	(0.879)	Reflect	0.049	<0.001
MDP	-0.005	0.095	-0.333	(0.880)	Reflect	0.049	<0.001
MDM	-0.018	-0.018	0.141	(0.880)	Reflect	0.049	<0.001

Based on the loading factor score in Table 2, the relationship between latent variables and their indicator is strong, which means that all indicators are able to explain the studied variables. This is proven by the loading factor scores of all research variables that meet the rule of thumb

standard, which is higher than 0.7 (Hair, 2010) and the P-value of <0,05 (Hair, 2010; Kock, 2012).

The internal consistency reliability, which is shown by the composite reliability scores of each variable is presented in Table 3; 0.921 for Entrepreneurial Education, 0.860 for student's environment, 0.780 for student's mindset, and 0.911 for entrepreneurial readiness. Hence, the research variables fulfill the composite reliability criteria since the score is >0.7 (Hair, 2010; Hair, Anderson, Babin, & Black, 2010).

Table 3. Latent variable coefficients

	PKWU	LINGK	MINDS	KKWU
R-squared			0.509	0.671
Adj. R-squared			0.506	0.667
Composit Reliability	0.921	0.860	0.780	0.911
Cronbach's alpha	0.870	0.783	0.737	0.854
Avaregae Variabel Extrac.	0.795	0.607	0.640	0.774
Full Collinierity (VIF)	1.893	2.734	2.387	3.115
Q-squared			0.505	0.672

In regards to Average Variable Extracted (AVE) score, Table 3 shows that the AVE of each variable is >0.5. This signifies that more than 50% of indicators' variance can be explained. The values indicate a good convergent validity, which means that one latent variable can explain more than a half variant of the indicators in the average (Fornell & Larcker, 1981a, 1981b; Kock, 2012). This conclusion is strengthened by the results of the discriminant validity

calculation as seen in Table 4 and Table 5, where the root square value of AVE as a whole exceeds the score of inter-latent variable correlation, and as a whole P-value is <0.05

Table 4. Correlations among l.vs. with sq. rts. of AVEs

	PKWU	LINGK	MINDS	KKWU
PKWU	0.892	0.647	0.586	0.582
LINGK	0.647	0.779	0.633	0.752
MINDS	0.586	0.633	0.800	0.736
KKWU	0.582	0.752	0.736	0.880

Table 5. P values for correlations

	PKWU	LINGK	MINDS	KKWU
PKWU	1.000	<0.001	<0.001	<0.001
LINGK	<0.001	1.000	<0.001	<0.001
MINDS	<0.001	<0.001	1.000	<0.001
KKWU	<0.001	<0.001	<0.001	1.000

4.3 Inner Model Evaluation

Inner model is used to evaluate the appropriateness of the relationship between latent variables by considering the variance scores that can be explained and by identifying the significance of the P-value. The inner model evaluation basically assesses the strength of the model as a whole and assesses whether the model has collinearity problems. Several items that need attention are the R-squared of each endogenous latent variable to identify the predictive strength of the structural model, Stone-Geisher test to assess predictive relevance, and goodness of fit (GoF) to measure the strength of the model as a whole. Based on the data analysis, the results of the SEM analysis in general is presented in Table 6, while the R-squared coefficients, the adjusted R-squared coefficients, and the Q-square summed from Table 3 is presented in Table 7.

Table 6. Model fit and quality indices

No	Item Analysis Result
1.	Average path coefficient (APC)=0.330, P<0.001
2.	Average R-squared (ARS)=0.590, P<0.001
3.	Average adjusted R-squared (AARS)=0.587, P<0.001
4.	Average block VIF (AVIF)=2.282, acceptable if ≤ 5 , ideally ≤ 3.3
5.	Average full collinearity VIF (AFVIF)=2.532, acceptable if ≤ 5 , ideally ≤ 3.3
6.	Tenenhaus GoF (GoF)=0.644, small ≥ 0.1 , medium ≥ 0.25 , large ≥ 0.36
7.	Sympson's paradox ratio (SPR)=1.000, acceptable if ≥ 0.7 , ideally = 1
8.	R-squared contribution ratio (RSCR)=1.000, acceptable if ≥ 0.9 , ideally = 1
9.	Statistical suppression ratio (SSR)=1.000, acceptable if ≥ 0.7
10.	Nonlinear bivariate causality direction ratio (NLBCDR)=1.000, acceptable if ≥ 0.7

Based on the output general result above, the model has a good fit with the Tenenhaus GoF (GoF)=0.644, categorized as high (Kock, 2012). Any other items, i.e. APC, ARS, AARS, AVIF, VIF (AFVIF), SPR, RSCR, SSR, and NLBCDR, met the predetermined requirements. This signifies that there is no causality problem in the model.

Table 7. R-squared coefficients, Adjusted R-squared coefficients, Q-Square

	Student's Mindset	Entrepreneurial Readiness
R^2	0.509	0.671
Adjusted R^2	0.506	0.667
Q^2	0.505	0.672

For R^2 and Adjusted R^2 value, <0.70 is strong, <0.45 is medium, <0.25 is weak. For Q^2 value, <0.35 is strong, <0.15 is medium, <0.02 is weak (Kock, 2015). Based on the Table 7 above, we can see that the value of R^2 and Adjusted R^2 is <0.70 , categorized as strong, which means that the model does not have any collinearity problem.

4.4 Hypothesis Testing

Hypothesis testing basically assesses the notion stated in the constructed hypothesis. To understand the results of the hypothesis testing easily, see the SEM analysis results in the Figure 2.

Figure 2. Result of Structural Equation Modelling (SEM) Analysis

Figure 2 explains that the simultaneous influence magnitude (the percentage of R^2 variance) of the endogenous latent variable on the exogenous variables are as follows. Entrepreneurial education and student's environment strongly influence student's mindset with an R^2 of 51%. Entrepreneurial education, student's environment, and student's mindset strongly influence entrepreneurial readiness with an R^2 of 67% (Kock, 2012).

Figure 2 also explains the testing results of the seven hypotheses constructed by the researchers. Hypothesis 1, entrepreneurial education positively and significantly influences student's mindset, is accepted ($\beta=0.30$ $P<.01$). Hypothesis 2, entrepreneurial education influences entrepreneurial readiness, is rejected ($\beta=0.00$ $P=0.50$). hypothesis 3, student's environment positively and significantly influences student's mindset, is accepted ($\beta=0.46$ $P<.01$). hypothesis 4, student's environment positively and significantly influences entrepreneurial readiness, is accepted ($\beta=0.49$ $P<.01$). hypothesis 5, mindset positively and significantly influences entrepreneurial readiness, is accepted ($\beta=0.40$ $P<.01$).

To identify the mediation of mindset in the effect of entrepreneurial education and student's environment on entrepreneurial readiness, Figure 2 depicts that mindset fully mediates the effect of entrepreneurial education and student's environment on entrepreneurial readiness. In addition, mindset partially mediates the effect of student's environment on entrepreneurial readiness.

To know the influence of mediation mindset on the influence of entrepreneurial education and student environment on entrepreneurial readiness can be seen in Figure 2. Based on the picture 2 it can be concluded that mindsets are full of entrepreneurial education influences on entrepreneurial readiness. While the students' environmental influence on the readiness of entrepreneurship, mindsets are partially impartial. It is supported by the results of the mediation analysis as shown in table 8. Based on the table, it appears that value of *Indirect effects for paths with 2 segments* and value of *P values of indirect effects for paths with 2 segments* of entrepreneurship education (0.121; < 0.001) and Environmental (0.184; < 0.001) variables are both positive, and P-value is smaller than 5%. It can therefore be concluded that the mindset variables significantly mediates the influence of entrepreneurship and environmental education to entrepreneurial readiness.

Table 8. Indirect effects for paths with 2 segments

Analysis	Variable	PKWU	LINGK	MINDS	KKWU
1. Indirect effects for paths with 2 segments	KKWU	0,121	0,184	-	-
2. Number of paths with 2 segments	KKWU	1	1	-	-
3. P values of indirect effects for paths with 2 segments	KKWU	< 0.001	< 0.001	-	-
4. Standard errors of indirect effects for paths with 2 segments	KKWU	0.039	0.038	-	-

To identify the magnitude of the mediation of mindset, VAF (Variance Accounted For) was used. The VAF score ranges from 0 to 1. The higher the VAF value indicates higher mediation effect. VAF is calculated using the following formula

1. The mediation of student's mindset in the effect of entrepreneurial education on entrepreneurial readiness:

$$VAF = \frac{a \times b}{a \times b + c} \times 100\%$$

Notes: a = the effect of PKWU on MINDS = 0,30

b = the effect of PKWU on KKWU = 0,00

c = the effect of MINDS on KKWU = 0,40

2. The mediation of student's mindset in the effect of student's environment on entrepreneurial readiness

$$VAF = \frac{a \times b}{a \times b + c} \times 100\%$$

Notes: a = the effect of LINGK on MINDS = 0,46

b = the effect of LINGK on KKWU = 0,49

c = the effect of MINDS on KKWU = 0,40

Based on the VAF calculation above, it can be concluded that, as in hypothesis 6, student's mindset fully mediates the effect of entrepreneurial education on entrepreneurial readiness (1.00; $P < 0.01$). As in hypothesis 7, student's mindset partially mediates the effect of student's environment on entrepreneurial readiness (0.27; $P < 0.01$) (Cohen, 1988; Kock, 2012).

4.5 Discussion

This study analyzes the effect of entrepreneurial education held in universities, student's environment, and student's mindset on student's entrepreneurial readiness. The results of the analysis indicate that entrepreneurial education does not significantly influence the entrepreneurial readiness. This finding contradicts the findings of Iqbal et al. (2012); Liñán et al. (2011); Matlay, Othman, Hashim, and Ab Wahid (2012). However, it confirms the finding of Cera and Furxhiu (2017). Furthermore, this study also finds that entrepreneurial education, which is observed from teacher's competence, learning material, and learning method used in the learning process, is not able to form entrepreneurial readiness, which is seen from the ownership of social capital, mental capital, and knowledge capital.

The findings are supported by the results of the interviews with the respondents. Most students stated that entrepreneurial education is similar to other courses. Their participation in various entrepreneurial program held by the campus is only intended to accomplish their tasks. They do not have any intention to get knowledge form the practice. For students with high

involvement in organizations, a more disheartening finding is discovered. They felt embarrassed joining the entrepreneurship practice by selling goods at the campus. They are more interested in talking and discussing matters related to political issues in both local or student level and national level.

Furthermore, the researchers also asked the respondents about the most important element in the entrepreneurial learning process in student's environment. The respondents stated that entrepreneurship laboratory is important. It serves as a business incubator that provides business supports to accelerate the success of business pioneering by providing resources and services to students. This is relevant with the statement of Kirby (2004) that as a complementary element in entrepreneurial education, business incubator plays an important role in creating entrepreneurial spirit and providing advice in the establishment of student's new businesses.

In addition, students also consider that visits to business communities are the most important element in entrepreneurial education process. The visits will open student's insight regarding the real details of business, not to mention the fact that the visit enables them to build business networks and to learn to identify business opportunities. This confirms the opinion of Kirkwood, Dwyer, and Gray (2014) that direct interactions with businesspeople will improve confidence, skill in analyzing the feasibility of new business ideas, and entrepreneurial knowledge and skill. Participants can experience the feeling of becoming an entrepreneur and get solution for practical problems. Moreover, students appreciate the long-term benefit of the networks built from their interactions with the businesspeople. Confirming this opinion is the statement of Knight (1987) that visiting businesspeople is a major factor in creating entrepreneurial intention in entrepreneurial education process.

Entrepreneurship education should consider the environment where students make social interactions. This study concludes that student's environment significantly influences their entrepreneurial readiness. The environment, which covers family, campus, friendship, and social media environment, shape their mindset and mentality. It also affects the way they see entrepreneurship as a profession. This is in line with the finding of Thompson et al. (2007) that environment affects a person's mental health. This implies that students' social interaction with their environments is influential in their character and personality building. Environments that give a positive appreciation for entrepreneurial professions tend to

encourage them to work as entrepreneurs. In contrast, environments that do not appreciate entrepreneurial profession will inhibit them from being entrepreneurs. Hence, it is clear that environment affects student's mindset concerning entrepreneurial profession.

The importance of shaping student's mindset based on the findings of this research show that student's mindset mediates the effect of entrepreneurial education and student's environment on student's entrepreneurial readiness. This shows that if higher education institutions aim to produce graduates with entrepreneurial readiness, they must first shape their student's mindset. This is relevant with the results of Pfeifer, Šarlija, and Zekić Sušac (2016) that shaping student's mindset to foster entrepreneurial intention is the first step that must be done by education institutions. In their research, Toledano and Urbano (2008) concluded that in order to foster entrepreneurial spirit in rural communities in southern Spain, the mindset of the people should be changed first, and entrepreneurial education follows. Growth mindset, as developed by Dweck (2008), must be fostered and strengthened to ensure that students have the readiness. Individuals with strong, positive, and relentless mindset, who do not quit on their skills easily, and who are able to improve themselves from time to time are strong entrepreneurs. It is the growth mindset that is called as successful person's mindset.

5 Conclusion and Limitation

The empirical results of this study show that producing students with strong, positive, and relentless mindset, students who do not quit on themselves easily, and students who are able to improve themselves from time to time, and students who are open to entrepreneurship is the main priority in preparing students to become entrepreneurs. Entrepreneurial education is still necessary for students. However, if student's mindset is not changed, it is difficult for entrepreneurial education to shape student's entrepreneurial readiness.

Students' skeptical perception on entrepreneurial education indicates student's weak mental capital for entrepreneurship. Even though literatures about the mechanism of entrepreneurial education are abundant, the values received by the students do not reflect their readiness to be engaged in entrepreneurship. The low number of graduates who work as entrepreneurs is the next fact. Most of them who work as entrepreneurs do their professions because they have difficulties in finding jobs, not because of their ability to see business opportunities. Therefore, the campus should reconstruct the curriculum to create graduates with strong entrepreneurial mentality who are ready to become entrepreneurs.

This study basically aims to see student's readiness to become entrepreneurs after taking Entrepreneurial Education course. The researchers realized that there are many factors affecting the readiness. However, in this study the researchers limited the factors influencing student's entrepreneurial readiness to entrepreneurial education student's environment, and student's mindset as the variables. Methodologically, this study also has limitations, particularly in the sample size compared to student population in Indonesia.

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