



Fueling Rural: The Unseen Forces Of Family Background And Psychological Factors On Youth Entrepreneurship

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ABSTRACT

Understanding entrepreneurial intentions among rural youth is crucial for fostering economic development; however, this demographic remains underrepresented in entrepreneurship research. This study explores the impact of entrepreneurial family backgrounds and psychological factors-such as self-efficacy, risk-taking propensity, need for achievement, and locus of control-on entrepreneurial intentions among rural youth in Deli Serdang, North Sumatera, Indonesia. A quantitative approach was utilized, employing a cross-sectional survey with data collected from a random sample of 217 rural youth through a structured questionnaire administered in person. Data analysis was conducted using partial least squares structural equation modeling (PLS-SEM). The results demonstrate that both entrepreneurial family background and psychological factors significantly influence entrepreneurial intentions. Specifically, having an entrepreneurial family background positively affects these intentions, while psychological factors also play a significant role. The study validates the research instruments and offers valuable insights into how familial and psychological influences shape entrepreneurial aspirations in rural contexts, reinforcing theories related to entrepreneurial self-efficacy, motivation, and psychological capital. For policymakers, the findings highlight the importance of supporting family-based entrepreneurial initiatives and integrating family involvement into entrepreneurial education. Educators are encouraged to incorporate psychological training to cultivate traits such as self-efficacy and resilience, while practitioners should develop supportive environments that leverage both familial and psychological resources. The study's limitations include its

focus on rural youth, which may restrict generalizability, reliance on self-reported measures, and the lack of exploration into underlying mechanisms or longitudinal effects. Future research should address these limitations by incorporating diverse populations, utilizing objective measures, and examining long-term impacts.

INTRODUCTION

Entrepreneurial intention in rural contexts is a complex issue shaped by an array of socio-economic and individual factors. Several seminal studies have established foundational concepts crucial to understanding this phenomenon. For instance, Social Cognitive Theory (SCT) highlights the importance of self-confidence and outcome expectations in cultivating entrepreneurial intention among rural adults in India. This theory posits that aligning skill development with anticipated outcomes is essential for nurturing new business ventures (Ali et al., 2022). In a similar vein, the Theory of Planned Behavior (TPB) has been employed to examine the entrepreneurial intentions of rural youth in Morocco. This approach underscores the significance of socio-demographic variables, individual perceptions, and previous experiences in shaping decision-making processes (Bouichou et al., 2021).

Further exploration into the integration of entrepreneurship within rural communities reveals the critical role of rural entrepreneurs in delivering essential services and fostering community dependence, although this dynamic may also generate certain tensions (Ganany-Dagan et al., 2024). Additionally, the contribution of immigrant entrepreneurs in rural regions, such as the Spanish Pyrenees, illustrates the potential for innovation and local economic stimulation, albeit with limitations related to the small scale and capital of these ventures (Mendoza, 2023).

The impact of educational attainment on fostering high-growth ventures in rural areas is also notable, with targeted entrepreneurial education suggested as a means to prevent brain drain and attract skilled individuals to these regions (Mahn et al., 2023). Moreover, rural e-commerce entrepreneurship is identified as a crucial strategy for alleviating poverty and advancing sustainable development, with factors such as professional knowledge, resource availability, and infrastructure being pivotal (Huang et al., 2021). Finally, the introduction of the Occupation, Business, and Technology (OBT) curriculum into Nepal's basic education system aims to stimulate entrepreneurial intentions by enhancing self-efficacy and opportunity recognition, despite ongoing challenges related to teaching methods and gender disparities (Nepal et al., 2021).

Prior research on entrepreneurial intentions among rural youth has highlighted several critical gaps. One significant area that remains underexplored is the role of information access as a pivotal success factor for rural entrepreneurs. This factor plays a crucial role in shaping entrepreneurial outcomes and addressing disparities within rural settings (Baalbaki & El Khoury, 2024). Moreover, while entrepreneurship education programs are recognized for their impact on enhancing entrepreneurial self-efficacy and intentions, there is still a lack of thorough understanding regarding their efficacy, particularly in informal settings and in overcoming geographical and socio-economic barriers (Vankov et al., 2023).

The literature on entrepreneurial intentions is marked by fragmentation, which complicates the comprehension of personal, social, and investigational factors. This fragmentation has resulted in divergent perspectives that challenge the fundamental knowledge within the field (Loi et al., 2023). Furthermore, the intricate causality of entrepreneurial intention among adolescents—shaped by psychological capital, gender, academic performance, and parental background—suggests that pathways to high and low entrepreneurial intention are

complex and not simply inverses of each other. This complexity complicates both analysis and policy implications (Salavou et al., 2023).

In the context of rural India, factors such as entrepreneurial confidence and outcome expectations have a substantial impact on entrepreneurial intention. However, there is a critical need for policies that align skill development with these expectations (Ali et al., 2022). Similarly, the dynamics of collective entrepreneurship within agricultural cooperatives and the socio-demographic variables influencing entrepreneurial intentions among rural youth in Morocco reveal vulnerabilities and constraints, such as risks associated with agribusiness and financing issues, which negatively affect entrepreneurial intentions (Bouichou et al., 2021).

These gaps arise from the diverse and fragmented nature of existing research, varying methodological approaches, and the complex interplay of socio-economic, educational, and psychological factors that influence entrepreneurial intentions among rural youth. Consequently, this study aims to investigate the influence of entrepreneurial family background and psychological factors on entrepreneurial intentions among rural youth. By integrating these variables, the research seeks to offer a comprehensive perspective on the entrepreneurial landscape in rural settings, thereby providing valuable insights to enhance support for youth engaged in entrepreneurial endeavors.

LITERATURE REVIEW

Entrepreneurial Intentions

Entrepreneurial intentions among youth are complex constructs shaped by an interplay of psychological, social, and educational factors. These intentions reflect the commitment and resolve of young individuals to embark on entrepreneurial ventures, influenced by personal attributes, cultural backgrounds, and educational experiences. For example, psychological capital, including self-efficacy and resilience, plays a pivotal role in mitigating fear of failure and enhancing the propensity to pursue entrepreneurship (Salavou et al., 2023; Ukil & Jenkins, 2023).

The influence of family, friends, and prior work experiences is also significant, with supportive networks often fueling entrepreneurial ambitions, whereas negative experiences may deter them (Ragazou et al., 2022). Cultural context and the presence of entrepreneurial role models further shape perceptions and the feasibility of entrepreneurship among youth (Porfírio et al., 2023; Aloulou et al., 2024).

Educational programs designed to cultivate entrepreneurial skills from a young age are crucial for developing the self-efficacy and motivation needed for entrepreneurial pursuits (Porfírio et al., 2023; Lee et al., 2022). Additionally, the inclination towards sustainable entrepreneurship is mediated by environmental values and specific entrepreneurial education within universities, which influences how these values impact entrepreneurial intentions (Nițu-Antonie et al., 2022).

Social capital, including influences from parents and peers, significantly affects entrepreneurial intentions, underscoring the importance of both vertical and horizontal social interactions (Patuelli et al., 2020). Lastly, subjective factors such as beliefs, social norms, and values initiate a series of effects that influence motivation and self-efficacy, thereby shaping entrepreneurial intentions (Martínez-González et al., 2019). Consequently, entrepreneurial intentions among youth arise from a complex interaction of individual traits, social influences, and educational interventions, all of which contribute to the decision to engage in entrepreneurship.

Entrepreneurial Family Background

Entrepreneurial family backgrounds pertain to familial environments where entrepreneurship is deeply embedded in the family's identity and activities, significantly shaping the entrepreneurial intentions and behaviors of its members. This concept encompasses several

dimensions, including the presence of self-employed parents or relatives, active participation in business ownership, and the transmission of entrepreneurial values and skills through social learning and role modeling.

For example, individuals from entrepreneurial families often demonstrate heightened entrepreneurial intentions, largely due to the influence of self-employed parents and the support received from these familial networks. This support enhances their perceived behavioral control and strengthens their involvement in entrepreneurial endeavors (Georgescu & Herman, 2020; Palmer et al., 2021). Furthermore, family dynamics, such as birth order and family size, can impact entrepreneurial outcomes, with later-born children in larger families experiencing resource dilution, which may influence their entrepreneurial pursuits differently compared to their elder siblings (Vladasel, 2023).

The interconnection of family and business roles within entrepreneurial families creates a distinctive environment where the professional ambitions and entrepreneurial performance of one family member can significantly affect the career choices and lifestyles of others. This interdependence underscores the integral role that family dynamics play in shaping entrepreneurial outcomes (Stamm, 2016).

Moreover, entrepreneurial family backgrounds often involve a fusion of family and business objectives, where a strong familial orientation aligns with entrepreneurial goals, fostering a supportive environment conducive to business innovation and risk-taking (Uhlener et al., 2012). The strategic focus of family ownership groups on sustaining wealth generation across generations highlights the inherent entrepreneurial potential within these families, emphasizing the value of a family-as-investor perspective (Habbershon & Pistrui, 2002).

In summary, the presence of an entrepreneurial family background profoundly influences individual entrepreneurial intentions and behaviors, as evidenced by a range of studies conducted across various cultural and economic contexts (Farrukh et al., 2017).

Entrepreneurial Psychological Factors

Entrepreneurial psychological factors encompass a diverse array of individual traits, cognitive processes, and emotional states that significantly impact entrepreneurial behavior and success. Central to these factors is locus of control, which denotes the extent to which individuals perceive they can influence the outcomes of their actions. This perception is a crucial predictor of entrepreneurial motivation (Turkina & Thai, 2015). Equally important is self-efficacy, the belief in one's capacity to achieve success in specific contexts, which substantially influences entrepreneurial intentions and actions (Fernandes et al., 2018). Risk-taking propensity, characterized by the willingness to engage in ventures with uncertain outcomes, is another pivotal determinant of entrepreneurial behavior (Fernandes et al., 2018).

Emotional intelligence (EI), defined as the ability to perceive, comprehend, and manage one's own emotions and those of others, plays a vital role in entrepreneurial success by affecting psychological ownership and fostering venture growth (Yitshaki, 2021). Overconfidence and optimism biases, which can result in an exaggerated sense of one's abilities and future prospects, have a pronounced effect on the success of new ventures, particularly among female entrepreneurs (Fatma et al., 2021). Social cohesion and psychosocial learning within communities contribute to the development of entrepreneurial competencies and sustainable growth (Lucas-Mangas et al., 2023). Additionally, socio-psychological factors such as social cynicism, the traditionalism-modernity continuum, and the survival-self-actualization continuum influence the likelihood of pursuing entrepreneurship, especially when high growth expectations are present (Turkina & Thai, 2015). The interaction between broad personality traits, such as those outlined in the Big Five model, and specific traits like risk-taking and internal locus of control further delineates entrepreneurial behavior (Obschonka & Stuetzer, 2017). Finally, behavioral and cognitive factors, including self-regulation and metacognitive mechanisms, are integral to understanding the processes involved in new venture creation and opportunity

recognition (Baron, 2007). These diverse psychological factors collectively shape the multifaceted nature of entrepreneurship, affecting both the initiation and success of entrepreneurial ventures.

Hypotheses Development And Conceptual Framework

1. The correlation between entrepreneurial family background and entrepreneurial intentions

Entrepreneurial family backgrounds pertain to family environments where one or more members, particularly parents, are engaged in entrepreneurial activities, thereby providing exposure to business practices and entrepreneurial behaviors. Such backgrounds significantly impact the entrepreneurial intentions of youth by shaping their attitudes, self-efficacy, and perceived behavioral control. Empirical research shows that young individuals from entrepreneurial family backgrounds exhibit higher entrepreneurial intentions compared to those from non-entrepreneurial backgrounds (Georgescu & Herman, 2020; Mitrovic Veljkovic et al., 2019). This influence is largely due to factors such as role modeling, social support, and the early development of entrepreneurial traits (Palmer et al., 2021; Bloemen-Bekx et al., 2019). For example, exposure to family business operations can significantly enhance entrepreneurial self-efficacy and attitudes, which are critical predictors of entrepreneurial intention (Onjewu et al., 2022). Moreover, having entrepreneurial parents often creates a supportive environment that increases the desirability and feasibility of pursuing entrepreneurial careers (Maleki et al., 2023).

Nevertheless, the impact of family background on entrepreneurial intention is nuanced. While it generally exerts a positive influence, it can also moderate the relationship between entrepreneurship education and entrepreneurial intention. Specifically, students from entrepreneurial families may rely more on familial learning rather than formal educational programs, which can sometimes diminish the effectiveness of educational interventions (Georgescu & Herman, 2020). Additionally, entrepreneurial learning within universities can interact with family backgrounds, affecting career preferences, such as the preference to work in small versus large firms (Hahn et al., 2022). Psychological factors such as dominance and subjective norms also play a role, with entrepreneurial family backgrounds enhancing these traits and thereby increasing entrepreneurial intention (Palmer et al., 2021).

In summary, the family context provides a complex interplay of direct and indirect influences on entrepreneurial intentions. This underscores the importance of integrating both formal and informal entrepreneurial education to maximize the entrepreneurial potential of youth. Given the substantial role of family influence in shaping entrepreneurial attitudes and behaviors, it is essential to examine how an entrepreneurial family background specifically affects the entrepreneurial intentions of rural youth. This leads to the formulation of the following hypothesis:

- H1: Entrepreneurial family background significantly influences the entrepreneurial intentions of rural youth.

2. The correlation between entrepreneurial psychological factors and entrepreneurial intentions

Entrepreneurial psychological factors encompass a variety of individual traits and cognitive attributes that significantly influence one's inclination toward engaging in entrepreneurial endeavors. These factors include psychological capital, emotional intelligence, cognitive flexibility, self-efficacy, internal locus of control, risk-taking propensity, resilience, and a proactive personality. Each of these dimensions plays a critical role in shaping the entrepreneurial intentions of young individuals.

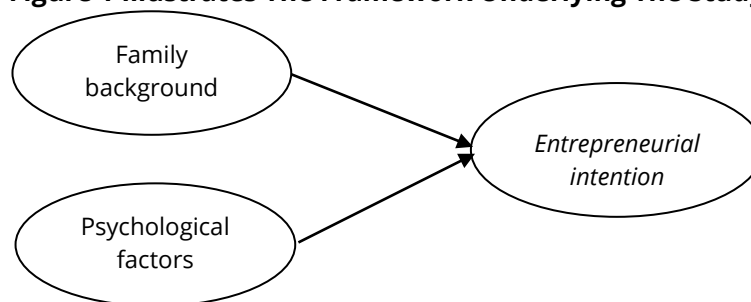
Psychological capital, which integrates self-efficacy, optimism, hope, and resilience, has been demonstrated to positively affect entrepreneurial intentions by moderating the influence of self-efficacy on these intentions (Wang et al., 2023; Poolsawat, 2021). Emotional intelligence and cognitive flexibility are similarly associated with entrepreneurial intentions, with self-efficacy serving as a mediator in these relationships (Mishra & Singh, 2024). Resilience, in particular,

enhances entrepreneurial intentions by alleviating the adverse impacts of fear of failure (Ukil & Jenkins, 2023).

Additionally, a proactive personality and a tendency towards risk-taking contribute to entrepreneurial intentions by shaping attitudes towards entrepreneurship and perceived behavioral control (Ng et al., 2021; Poolsawat, 2021). The presence of entrepreneurial education and opportunities further magnifies these psychological factors, thereby strengthening entrepreneurial intentions among youth (Farrukh et al., 2021; Ng et al., 2021). The interaction of these psychological factors creates multiple pathways to robust entrepreneurial intentions, as evidenced by the intricate relationships involving gender, academic performance, and environmental context (Salavou et al., 2023). Furthermore, traits such as innovativeness and an internal locus of control facilitate the entrepreneurial decision-making process by promoting exploration and exploitation activities (Lee et al., 2022). In summary, these psychological factors collectively shape the entrepreneurial mindset, making them essential for understanding and fostering entrepreneurial intentions among young individuals (Dheer & Castrogiovanni, 2023; Liao et al., 2022). Given the substantial evidence underscoring the influence of these psychological attributes on entrepreneurial behavior, it is imperative to investigate how these factors specifically affect the entrepreneurial intentions of rural youth. Consequently, the following hypothesis is proposed:

- H2: Entrepreneurial psychological factors significantly influence the entrepreneurial intentions of rural youth.

Figure 1 Illustrates The Framework Underlying The Study



METHODS

This study employed a quantitative research design to investigate the effects of entrepreneurial family backgrounds and psychological factors on entrepreneurial intentions among rural youth. A cross-sectional survey method was used to collect data, allowing for the assessment of relationships between variables at a single point in time.

Sample And Data Collection

The study population comprised rural youth aged 18 to 30 years residing in selected rural areas of Deli Serdang, North Sumatera, Indonesia. A random sampling method was employed to ensure that every individual in these areas had an equal chance of being selected as a respondent. Out of the targeted 300 samples, a total of 217 valid responses were collected, which was sufficient to achieve reliable and valid results. The sample profiles are detailed in Table 1. Data were collected using a structured questionnaire administered in person to the rural youth in the selected areas of Deli Serdang. Prior to data collection, the questionnaire was pre-tested with a small group of respondents to ensure the clarity and reliability of the measurement items. Informed consent was obtained from all participants, and confidentiality was assured. The data collection period spanned from April to June 2024 to ensure a sufficient number of responses.

Table 1 Sample Profile

Category	Frequency (n)	Percentage (%)
<i>Age</i>		
18-21 years	85	39.2
22-25 years	75	34.6
26-30 years	57	26.2
<i>Gender</i>		
Male	110	50.7
Female	107	49.3
<i>Education Level</i>		
High School	130	59.9
Vocational/Technical	62	28.6
Undergraduate	25	11.5
<i>Employment Status</i>		
Employed	98	45.2
Unemployed	119	54.8
<i>Entrepreneurial Background</i>		
Entrepreneurial Family Background	110	50.7
Non-entrepreneurial Family Background	107	49.3

Constructs And Measurement

In this study, three primary constructs were employed: entrepreneurial family background, psychological factors, and entrepreneurial intentions. These constructs were rigorously assessed using multiple items adapted from established scales in the literature.

The entrepreneurial family background was evaluated through indicators such as parental occupation (entrepreneurial versus non-entrepreneurial), family support for entrepreneurship, and the presence of a family history in entrepreneurship. Psychological factors included self-efficacy, risk-taking propensity, need for achievement, and locus of control. Entrepreneurial intentions were measured by examining the desire to start a business, plans to initiate a business within the next five years, and confidence in pursuing entrepreneurship. All constructs were assessed using a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Detailed values for the outer loadings of each construct are provided in Table 2.

Table 2 Outer loading

Construct	Items	Loading
Entrepreneurial Family Background	My parents are entrepreneurs.	0.78
	My family supports entrepreneurial activities.	0.85
	My family has a history of entrepreneurship.	0.82
Psychological Factors	I am confident in my ability to start a business.	0.76
	I am willing to take risks in my entrepreneurial ventures.	0.71
	I have a strong need to achieve in my career.	0.80
	I believe that I control my own entrepreneurial success.	0.77
Entrepreneurial Intentions	I have a strong desire to start my own business.	0.83
	I plan to start a business within the next five years.	0.79
	I am confident in my ability to pursue entrepreneurship.	0.81

Common Method Variance

To assess common method variance (CMV), Harman's single-factor test was conducted. The analysis revealed that the first unrotated factor accounted for 38.7% of the total variance. This finding indicates that the single factor does not account for a substantial proportion of the variance, as it is below the 50% threshold typically used to indicate significant common method variance. Therefore, these results suggest that common method variance is not a major concern in this study.

RESULTS

The collected data was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0, which is suitable for handling complex models with multiple constructs and indicators. This study employed PLS-SEM to assess the relationships between constructs and validate the measurement and structural models.

Measurement Model Evaluation

The measurement model was assessed by evaluating composite reliability, Cronbach's alpha, average variance extracted (AVE), and discriminant validity. All constructs met the acceptable thresholds: Composite Reliability (CR) > 0.70, Cronbach's Alpha (CA) > 0.70, and AVE > 0.60, indicating that the measurement model is reliable and valid. Details of the measurement model are presented in Table 3.

Table 3 Evaluation Of Measurement Model

Construct	Composite Reliability (CR)	Cronbach's Alpha (CA)	Average Variance Extracted (AVE)
Entrepreneurial Family Background	0.87	0.82	0.62
Psychological Factors	0.89	0.85	0.68
Entrepreneurial Intentions	0.90	0.87	0.72

Note: CR > 0.70, CA > 0.70, and AVE > 0.60 are considered acceptable thresholds.

Discriminant validity was further assessed using the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio (HTMT). For the Fornell-Larcker criterion, the diagonal values representing the square root of the AVE for each construct are as follows: Entrepreneurial Family Background: 0.787, Psychological Factors: 0.825, and Entrepreneurial Intentions: 0.849. These values, detailed in Table 4, indicate the degree of discriminant validity among the constructs.

Table 4 Discriminant Validity: Fornell-Larcker Criterion

Construct	Entrepreneurial Family Background	Psychological Factors	Entrepreneurial Intentions
Entrepreneurial Family Background	0.787		
Psychological Factors	0.504	0.825	
Entrepreneurial Intentions	0.482	0.521	0.849

Note: Diagonal values are the square root of the AVE for each construct

For the HTMT, the highest value is 0.702, which is below the threshold, confirming that discriminant validity is maintained. Detailed results for the HTMT are provided in Table 5.

Table 5 Discriminant Validity: Heterotrait-Monotrait Ratio (HTMT)

Construct	Entrepreneurial Family Background	Psychological Factors	Entrepreneurial Intentions
Entrepreneurial Family Background	-		
Psychological Factors	0.678	-	
Entrepreneurial Intentions	0.631	0.702	-

Note: HTMT values less than 0.85 indicate acceptable discriminant validity.

Structural Model Evaluation

The structural model was assessed to evaluate the hypothesized relationships between constructs through path analysis. Bootstrapping with 5,000 resamples was employed to determine the significance of the path coefficients and to construct confidence intervals. This analysis provided an examination of the path coefficients, predictive performance metrics, and model fit. For Hypothesis 1, which explores the relationship between Entrepreneurial Family Background and Entrepreneurial Intentions, the path coefficient (β) was 0.450. With a t-value of 5.63 and a p-value less than 0.001, this result indicates a strong and statistically significant positive relationship, confirming that a supportive entrepreneurial family background positively influences entrepreneurial intentions. Similarly, Hypothesis 2, which investigates the impact of Psychological Factors on Entrepreneurial Intentions, yielded a path coefficient (β) of 0.380. The t-value of 4.47 and a p-value less than 0.001 also demonstrate a significant positive relationship, suggesting that psychological factors significantly affect entrepreneurial intentions. These findings are detailed in Table 6.

Table 6 Hypothesized Path Relationships

	Path	β	M	SD	t-values	p-values	Remarks
H1	Entrepreneurial Family Background → Entrepreneurial Intentions	0.450	0.452	0.080	5.63	0.000	Supported ***
H2	Psychological Factors → Entrepreneurial Intentions	0.380	0.379	0.085	4.47	0.000	Supported ***

*Notes: p-values < 0.001 are denoted by *** indicating highly significant results.*

Table 7 summarizes the predictive performance metrics and model fit for the structural model. The R-Square (R^2) value of 0.528 reveals that 52.8% of the variance in Entrepreneurial Intentions is explained by the model, indicating a substantial explanatory power. The Q-Square (Q^2) value of 0.311 confirms the model's predictive relevance, with values greater than 0 suggesting that the model has a meaningful capacity to predict the outcome.

The Standardized Root Mean Square Residual (SRMR) value of 0.080, which is below the threshold of 0.10, indicates a good model fit, signifying that the model's predicted values are closely aligned with the observed data. These metrics collectively demonstrate that the model exhibits robust predictive performance and a good fit.

Table 7 Predictive Performance Metrics And Model Fit

	Predictive Power	Predictive Relevance	Model Fit
Constructs	R-Square	Q-Square	SRMR
Entrepreneurial Intentions	0.528	0.311	0.080

*Notes: R-Square (R²): Indicates the proportion of variance in the dependent variable explained by the model.
Q-Square (Q²): A value > 0 indicates adequate predictive relevance. SRMR: A value < 0.10 suggests a good model fit.*

DISCUSSION

The objective of this study was to investigate how entrepreneurial family background and psychological factors impact entrepreneurial intentions among rural youth. By exploring these relationships, the study aimed to address gaps in understanding the role of familial and psychological influences in shaping entrepreneurial intentions within this under-researched demographic.

The analysis revealed that entrepreneurial family background significantly affects entrepreneurial intentions, with a path coefficient of 0.450, a t-value of 5.63, and a p-value of less than 0.001. This finding is consistent with existing literature that underscores the influence of family context on entrepreneurial behavior. Previous research indicates that a background involving entrepreneurial family members fosters higher entrepreneurial intentions among youth due to early exposure to business activities, role modeling, and a supportive familial environment (Georgescu & Herman, 2020; Mitrovic Veljkovic et al., 2019). The positive relationship observed in this study aligns with the view that entrepreneurial family backgrounds provide essential resources and motivation that enhance entrepreneurial attitudes and self-efficacy (Palmer et al., 2021; Bloemen-Bekx et al., 2019). Furthermore, the results corroborate the perspective that supportive family environments significantly contribute to the development of entrepreneurial traits and intentions (Onjewu et al., 2022; Maleki et al., 2023).

Similarly, the study found that psychological factors significantly impact entrepreneurial intentions, with a path coefficient of 0.380, a t-value of 4.47, and a p-value of less than 0.001. This result aligns with prior studies that underscore the critical role of psychological attributes in fostering entrepreneurial behavior. Psychological factors such as self-efficacy, emotional intelligence, and resilience positively influence entrepreneurial intentions by enhancing self-efficacy and mitigating the fear of failure (Wang et al., 2023; Mishra & Singh, 2024). The findings also support the literature on the importance of a proactive personality and risk-taking propensity in shaping entrepreneurial attitudes and perceived behavioral control (Ng et al., 2021; Poolsawat, 2021). The evidence that these psychological traits enhance entrepreneurial intentions is consistent with broader research indicating that such factors, in conjunction with entrepreneurial education and opportunities, play a crucial role in nurturing entrepreneurial aspirations among youth (Farrukh et al., 2021; Salavou et al., 2023).

CONCLUSION

This study investigated the influence of entrepreneurial family background and psychological factors on entrepreneurial intentions among rural youth. The analysis indicated that both entrepreneurial family background and psychological factors have a significant impact on entrepreneurial intentions.

Specifically, a supportive entrepreneurial family background and positive psychological attributes, such as self-efficacy and resilience, were found to enhance entrepreneurial intentions. These findings align with existing literature, affirming that both familial and psychological factors are pivotal in shaping entrepreneurial aspirations.

Theoretical Contribution

The study advances the literature on entrepreneurial intentions by integrating both familial and psychological perspectives. It not only corroborates but also expands upon previous research regarding the influence of family background on entrepreneurial intentions, providing empirical support for theories that suggest early exposure to entrepreneurship within the family context enhances entrepreneurial self-efficacy and motivation. Furthermore, the study deepens the understanding of psychological factors by highlighting their significant impact on entrepreneurial intentions, thus reinforcing theories related to psychological capital, emotional intelligence, and resilience in entrepreneurial behavior. By focusing on rural youth, the study introduces a novel dimension to the existing body of knowledge, demonstrating that these influences are relevant in demographic contexts that have been less extensively studied.

Managerial Implications

The findings of this study offer valuable insights for policymakers, educators, and practitioners involved in fostering entrepreneurship among youth. For policymakers, the results highlight the importance of supporting family-based entrepreneurial initiatives and integrating entrepreneurial education with programs that involve family participation. Educators should consider incorporating psychological training and support into their curricula to develop traits such as self-efficacy and resilience. Practitioners, particularly those working with rural youth, should focus on creating supportive environments that utilize both familial and psychological resources to nurture entrepreneurial aspirations.

SUGGESTION

This study is not without its limitations. First, its focus on rural youth may restrict the generalizability of the findings to urban populations or other demographic groups. Second, the reliance on self-reported measures introduces the potential for bias, which may affect the accuracy of the results. Third, although the study identifies significant relationships between variables, it does not investigate the underlying mechanisms or the longitudinal effects of these influences on entrepreneurial intentions. Future research should address these limitations by including diverse populations, employing objective measures, and examining the long-term impact of familial and psychological factors on entrepreneurship.

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