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# Examining Entrepreneurial Behavior Through the Theory of Planned Behavior: The Mediating Role of Entrepreneurial Interest

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**Abstract.** Entrepreneurial behavior plays an important role in fostering economic resilience and community development, particularly in urban contexts. Drawing on the Theory of Planned Behavior (TPB), this study examines the relationships among subjective norms, entrepreneurial interest, and entrepreneurial behavior, with entrepreneurial interest acting as a mediating variable. Data were collected from residents of Medan City using a structured questionnaire, and the proposed model was tested using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results show that subjective norms have a significant positive effect on entrepreneurial interest, and entrepreneurial interest, in turn, significantly influences entrepreneurial behavior. Furthermore, entrepreneurial interest is found to partially mediate the relationship between subjective norms and entrepreneurial behavior. These findings support the applicability of the TPB framework in explaining entrepreneurial behavior at the community level. This study contributes to the literature by clarifying the mediating mechanism through which social pressures are translated into entrepreneurial action. From a practical perspective, the results suggest that entrepreneurship development programs should not only strengthen social support and normative environments, but also actively cultivate entrepreneurial interest to stimulate sustainable entrepreneurial behavior in urban communities.

**Keywords:** Subjective norms, Interest in entrepreneurship, Entrepreneurial behavior

# 1.Introduction

Entrepreneurship plays a crucial role in supporting modern economic growth, especially in developing countries like Indonesia. In the era of globalization marked by rapid technological advancement, entrepreneurship is seen as a key solution to address unemployment, spur innovation, and increase national competitiveness. Likewise, entrepreneurial interest significantly mediates the influence of attitudes, subjective norms, and self-confidence on entrepreneurial behavior (Pertiwi and Tanjung (2023)). Entrepreneurial interest has consistently been found to be the primary mediator bridging the influence of attitudes, subjective norms, perceived behavioral control, and self-confidence on entrepreneurial behavior (Liñán & Fayolle, 2021). Research confirms the importance of interest as a connecting mechanism that transforms psychological factors into concrete actions.

According to data from the Global Entrepreneurship Monitor (GEM) and the World Bank, Indonesia's entrepreneurship rate remains relatively low compared to other ASEAN countries, despite its large population and high youth turnover. One major obstacle is the lack of a thriving entrepreneurial culture, with many millennials preferring permanent positions in large companies or state-owned enterprises (SOEs) to starting their own businesses. The perceived high risk of entrepreneurship and the perceived shame of failure also hinder entrepreneurial enthusiasm. One major obstacle facing millennials in Indonesia in entrepreneurship is the difficulty of obtaining capital. While various government programs and financial institutions offer financing, many millennials struggle to access it due to a lack of collateral, business experience, or financial literacy. Furthermore, the quality of entrepreneurship education and training in Indonesia remains inadequate, leaving many young people without the basic skills needed to run their own businesses.

The culture of failure in business in Indonesia still carries a negative stigma. Failure is seen as a lowering of social status, unlike many developed countries or other ASEAN countries that more fully accept failure as part of the learning process in entrepreneurship. Entrepreneurship is increasingly becoming a popular path as a solution to address unemployment and create economic sustainability. Based on this low ratio, researchers are interested in examining the development of a theory of planned behavior model with entrepreneurship education as a moderating variable and entrepreneurial interest as a mediating variable in the Medan City community.

# 2. Literature Review

## 2.1 Behaviour (B)

Consumer behavior reflects a dynamic and complex process involving the actions of individuals or groups in searching for, selecting, purchasing, using, and evaluating products or services to meet their needs and desires. These actions are influenced by behavioral intentions, which are internal drives formed from attitudes toward an action and prevailing social norms in an individual's environment. In the world of marketing, understanding consumer behavior is a fundamental aspect that influences the effectiveness of business strategies. Tjiptono (2019) states that consumer behavior encompasses the entire process from searching to evaluating products that are deemed capable of providing value to consumers. Solomon (2020) emphasizes the role of psychological and social factors, such as culture, reference groups, and family, in shaping purchasing decisions. Schiffman and Kanuk (2019) underscore the importance of the information search process and consideration of various alternatives before consumers make a decision.

Blackwell et al. (2020) describe consumer behavior as a sequential stage, from need awareness to post-purchase response, influenced by internal motivations and external environmental factors. Loudon and Della Bitta (2020) also highlight the influence of culture, social environment, and economic conditions on people's consumption patterns. Based on various expert views, it can be concluded that behavior is a dynamic process involving the search for, evaluation, purchase, use, and response to products, which is influenced by factors such as motivation, emotions, and psychology, as well as external factors such as culture, social environment, and economic conditions. Understanding this

behavior is important for developing effective marketing strategies that are tailored to market needs.

### 2.2 Behavioral intention (BI)

Entrepreneurial behavioral interest refers to an individual's tendency to actively engage in entrepreneurial activities, as reflected through behavioral choices, decisions, and action patterns oriented toward creating, developing, and managing a business. This interest is formed through a combination of several key factors, such as the ability to recognize business opportunities, readiness to face risks, a tendency to innovate, and skills in managing resources effectively. According to Crow and Crow (2020), interest is a strong attention or attraction to an object or activity, which can influence how a person acts and makes decisions. Behavioral interest is closely related to an individual's intention to perform an action, which is formed from their perception of the ease of implementation and the level of control over that action (Ajzen, 2018; Wang et al., 2019). Fazio and Olson (2019) add that an individual's belief in their ability to manage a situation also shapes their behavioral interest.

In the motivational dimension, Kusurkar et al. (2019) linked behavioral interest to intrinsic and extrinsic motivation, where individuals tend to show greater interest in activities perceived as enjoyable, meaningful, or personally and socially beneficial. Similarly, Vallerand et al. (2020) highlighted that passion and emotional involvement play a crucial role in shaping intentions to engage in a behavior. Hofmann et al. (2018) explained that behavioral interest arises from the interaction between internal factors such as individual goals and desires and external factors such as social support, opportunities, and environmental conditions. From the various opinions above, it can be concluded that behavioral interest is an individual's tendency to engage in certain actions influenced by attitudes, social norms, perceived self-control, and external factors. In entrepreneurship, behavioral interest forms the basis for forming intentions and concrete actions in starting and managing a business.

### 2.3 Subjective Norm (SN)

Subjective norms refer to a person's personal judgment about what is considered right, wrong, good, or bad, which can vary from one individual to another. Unlike objective norms, which are universal and generally accepted by society, subjective norms are strongly influenced by each individual's experiences, values, and beliefs. Because they are personal, these norms are not always widely applicable and can give rise to differences of opinion or conflict between individuals within a society. According to Ajzen (2018), subjective norms are an individual's views of the expectations of important people in their lives regarding certain behaviors, including beliefs about their support or disapproval of those behaviors. These norms influence an individual's intention to act in accordance with social expectations.

Schwartz (2020) added that subjective norms relate to social obligations within a person's environment, which are influenced by cultural factors and social context. Eagly and Chaiken (2018) explained that these norms reflect the expectations of significant others regarding desirable or undesirable behavior, which influences an individual's decision to follow or defy social norms. Fazio and Olson (2019) argued that subjective norms involve an individual's beliefs about the expectations of others and their motivation to meet those expectations. Schwartz et al. (2020) also suggested that these norms are influenced by global social norms, such as social movements that develop through social media. Based on the above opinion, it can be concluded that subjective norms are an individual's perception of the expectations of significant others regarding a behavior, which influences the intention to act according to surrounding social pressures and values.

## 3. Research Method

The type of research used is associative research. This study aims to test the development of a planned behavior model with entrepreneurial interest as a mediating variable in the Medan City community. The relationship and influence are examined through hypothesis testing with the aim of determining the development of a planned behavior theory model with entrepreneurial interest as a mediating variable in the Medan City community. In research, data collection techniques are crucial to obtain relevant and accurate information. Some frequently used techniques are interviews, questionnaires, and

documentation studies. This research was conducted in the growing entrepreneurial community in 21 districts of Medan City. The determination of the sample size in this study refers to the Slovin Formula..

$$n = \frac{N}{1 + N(e)^2}$$

Description:
n = Number of samples required
N = Population size
N = Population of Medan City 2,486,283 people
e = Desired margin of error, usually a percentage, such as 0.05 for 5% or 0.1 for 10%.

So, the number of samples in this study was 400 people. The data used is divided into two main types, namely primary data and secondary data. The data in this study will be analyzed using Partial Least Square (PLS). The latent variable score components are obtained based on how the inner model and outer model are specified. Measurement model analysis (outer model) uses two tests, namely: (1) Construct reliability and validity and (2) Discriminant validity. Testing of the structural model in PLS was carried out with the help of Smart PLS software version 3 for Windows. Data is processed from Likert Scale Scores. Hypothesis testing contains three sub-analyses, namely: (a) direct effect; (b) indirect effect; and (c) total effect

# 4. Result And Discussion

## 4.1 Descriptive Statistics

The following are respondents' responses regarding Subjective Norms which were measured using 10 statements, namely:

Table 1. Respondents' Assessment of Subjective Norms for Entrepreneurship.

| Construct | Indicator | Answer Score | | | | | JLH | JLH | Weighted Average (RRT) | category |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | Weight | Respondents | | |
| SN1 | My family supports my decision to become an entrepreneur. | 0 | 8 | 32 | 190 | 170 | 1722 | 400 | 4.305 | very positive |
| SN2 | My friends view my endeavors positively. | 1 | 12 | 28 | 195 | 164 | 1709 | 400 | 4.2725 | very positive |
| SN3 | My social environment supports individuals who choose to become entrepreneurs. | 2 | 10 | 28 | 199 | 161 | 1707 | 400 | 4.2675 | very positive |
| SN4 | I have a mentor who provides support and guidance in entrepreneurship. | 1 | 7 | 32 | 190 | 170 | 1721 | 400 | 4.3025 | very positive |
| SN5 | Social norms around me encourage people to become entrepreneurs. | 3 | 8 | 40 | 194 | 155 | 1690 | 400 | 4.225 | very positive |
| SN6 | I feel there is help or support from agencies or institutions that facilitate entrepreneurial activities. | 1 | 13 | 38 | 196 | 152 | 1685 | 400 | 4.2125 | very positive |
| SN7 | My coworkers support my business ideas or plans. | 1 | 10 | 51 | 198 | 140 | 1666 | 400 | 4.165 | positive |
| SN8 | My superiors support my entrepreneurial endeavors, both directly and indirectly. | 1 | 13 | 40 | 198 | 148 | 1679 | 400 | 4.1975 | positive |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| SN9 | Successful entrepreneurs provide positive inspiration for me in entrepreneurship. | 1 | 8 | 31 | 190 | 170 | 1720 | 400 | 4.3 | very positive |
| SN10 | The media provides positive and supportive information about entrepreneurship. | 1 | 9 | 51 | 198 | 141 | 63294 | 400 | 4.1725 | Positive |
| Total | | | | | | | | | 42.42 | |
| Average | | | | | | | | | 4.242 | very positive |

*Source:* Data processed from Respondents' Answers, 2025.

Based on the table above, two indicators (SN1, SN2, SN3, SN4, SN5, SN7, and SN9) showed very positive responses, while three indicators (SN7, SN8, and SN10) received positive ratings. Overall, the average respondent response was very positive regarding subjective norms in the context of entrepreneurship. This indicates that respondents are strongly influenced by reference groups that provide strong support for starting and running a business.

Next, respondents' responses regarding Entrepreneurial Interest were measured in 9 statements, namely:

Table 2. Respondent Assessment of Interest in Entrepreneurial Behavior

| Construct | Indicator | Respondent Answer Score | | | | | JLH | JLH | Weighted Average | category |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | Weight | Respondents | | |
| B1 | I have a dream of running my own business someday. | 1 | 12 | 42 | 196 | 149 | 1679 | 400 | 4.1975 | Positive |
| B2 | I am willing to take the risk of starting a business, even though there is a potential for failure. | 1 | 10 | 50 | 198 | 141 | 1668 | 400 | 4.17 | Positive |
| B3 | One of my goals in entrepreneurship is to achieve financial independence. | 1 | 7 | 38 | 184 | 170 | 1715 | 400 | 4.2875 | Very Positive |
| B4 | I feel supported by my family, friends, and community. | 1 | 10 | 40 | 194 | 155 | 1692 | 400 | 4.23 | Very Positive |
| B5 | I want a successful business using my skills. | 1 | 13 | 38 | 196 | 152 | 1685 | 400 | 4.2125 | Very Positive |
| B5 | I feel I have enough knowledge about entrepreneurship to start a business. | 1 | 8 | 40 | 198 | 153 | 1694 | 400 | 4.235 | Very Positive |
| B7 | I believe my ability to innovate is crucial in running a business. | 1 | 8 | 40 | 186 | 165 | 1706 | 400 | 4.265 | Very Positive |
| B8 | I want my business to have a positive impact on society at large. | 1 | 13 | 40 | 198 | 148 | 1679 | 400 | 4.1975 | Positive |
| B9 | I see entrepreneurship as a path to financial freedom in the future. | 1 | 9 | 51 | 198 | 141 | 1669 | 400 | 4.1725 | Positive |
| Total | | | | | | | | | 37.9675 | |
| Average | | | | | | | | | 4.21861111 | Very Positive |

*Source: Data processed from Respondents' Answers, 2025.*

Based on the table above, five indicators (BI3, BI4, BI5, BI6, and BI7) received very positive ratings, while four other indicators (BI1, BI2, BI8, and BI9) showed positive ratings. Overall, the average of all indicators reflects a very positive interest in entrepreneurship.

Furthermore, respondents' responses regarding Entrepreneurial Behavior were measured in 10

statements, namely:

Table 3. Respondents' Assessment of Entrepreneurial Behavior.

| Construct | Indicator | Respondent Answer Score | | | | | JLH | JLH | Weighted Average | category |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | Weight | Respondents | | |
| B1 | I am always looking for business opportunities by capitalizing on market trends and consumer needs. | 2 | 8 | 30 | 189 | 171 | 1717 | 400 | 4.2925 | Very Positive |
| B2 | I view failure as an opportunity to learn and grow. | 1 | 12 | 28 | 195 | 164 | 1709 | 400 | 4.2725 | Very Positive |
| B3 | I strive to find innovative solutions to overcome business challenges. | 2 | 10 | 30 | 190 | 168 | 1712 | 400 | 4.28 | Very Positive |
| B4 | I take responsibility for the decisions I make, whether they succeed or fail. | 1 | 7 | 32 | 190 | 170 | 1721 | 400 | 4.3025 | Very Positive |
| B5 | I identify and prepare for potential business risks. | 3 | 8 | 40 | 190 | 159 | 1694 | 400 | 4.235 | Very Positive |
| B6 | I believe collaboration with others is essential for business success. | 1 | 13 | 38 | 194 | 154 | 1687 | 400 | 4.2175 | Very Positive |
| B7 | I am committed to achieving long-term goals despite challenges. | 2 | 10 | 49 | 199 | 140 | 1665 | 400 | 4.1625 | Positive |
| B8 | I am ready to adapt quickly to changing market and business conditions. | 1 | 14 | 36 | 198 | 151 | 1684 | 400 | 4.21 | Positive |
| B9 | I am ready to accept the consequences of the risks I take, both positive and negative. | 2 | 10 | 31 | 187 | 170 | 1713 | 400 | 4.2825 | Very Positive |
| B10 | I always have a clear financial plan for business continuity and growth. | 1 | 8 | 29 | 192 | 170 | 66294 | 400 | 4.1725 | Positive |
| Total | | | | | | | | | 42.4275 | |
| Average | | | | | | | | | 4.24275 | Very Positive |

*Source:* Data processed from Respondents' Answers, 2025.

## 4.2 Measurement Model (Outer Model)

The Outer Model measurement in research, particularly in Structural Equation Modeling (SEM) or Partial Least Squares (PLS), is the stage of evaluating the relationship between latent variables (concepts that cannot be directly measured) and their measuring indicators. Latent variables are represented by indicators that reflect certain aspects of the concept. The purpose of the Outer Model measurement is to ensure the validity and suitability of the model to empirical data. The Outer Model is important to ensure that the indicators and constructs are valid and reliable so that the results of the SEM/PLS analysis can be trusted. The results of the study show that the outer loading value can be seen in the following table :

Table 4. Outer Loading Values

| Construct | B | BI | SN | EE x SN | EE x BI |
|---|---|---|---|---|---|
| B1 | 0.806 | | | | |
| B10 | 0.794 | | | | |
| B2 | 0.775 | | | | |
| B3 | 0.794 | | | | |
| B4 | 0.783 | | | | |

| | | | | | |
|---|---|---|---|---|---|
| B5 | 0.823 | | | | |
| B6 | 0.811 | | | | |
| B7 | 0.824 | | | | |
| B8 | 0.827 | | | | |
| B9 | 0.825 | | | | |
| BI1 | | 0.795 | | | |
| BI10 | | 0.764 | | | |
| BI2 | | 0.766 | | | |
| BI3 | | 0.777 | | | |
| BI4 | | 0.813 | | | |
| BI5 | | -0.076 | | | |
| BI6 | | 0.777 | | | |
| BI7 | | 0.805 | | | |
| BI8 | | 0.791 | | | |
| BI9 | | 0.78 | | | |
| SN1 | | | 0.76 | | |
| SN10 | | | 0.754 | | |
| SN2 | | | 0.778 | | |
| SN3 | | | 0.828 | | |
| SN4 | | | 0.726 | | |
| SN5 | | | 0.75 | | |
| SN6 | | | 0.795 | | |
| SN7 | | | 0.78 | | |
| SN8 | | | 0.837 | | |
| SN9 | | | 0.759 | | |

*Source: Results of data processing using SEM PLS.*

Based on the table, several indicators have outer loading values below 0.7 BI5 (-0.076), indicating that these four variable indicators are invalid and must be eliminated/removed. After these four indicators were eliminated and retested, the results are shown in the following table :

Table 5. Outer Loading Values of Retesting

| Construct | B | BI | EE | SN | EE x SN | EE x BI |
|---|---|---|---|---|---|---|
| B1 | 0.806 | | | | | |
| B10 | 0.794 | | | | | |
| B2 | 0.775 | | | | | |
| B3 | 0.794 | | | | | |
| B4 | 0.783 | | | | | |
| B5 | 0.823 | | | | | |
| B6 | 0.811 | | | | | |
| B7 | 0.824 | | | | | |
| B8 | 0.827 | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| B9 | 0.825 | | | | | |
| BI1 | | 0.796 | | | | |
| BI10 | | 0.763 | | | | |
| BI2 | | 0.766 | | | | |
| BI3 | | 0.777 | | | | |
| BI4 | | 0.813 | | | | |
| BI6 | | 0.777 | | | | |
| BI7 | | 0.805 | | | | |
| BI8 | | 0.79 | | | | |
| BI9 | | 0.78 | | | | |
| SN1 | | | | 0.76 | | |
| SN10 | | | | 0.754 | | |
| SN2 | | | | 0.778 | | |
| SN3 | | | | 0.828 | | |
| SN4 | | | | 0.726 | | |
| SN5 | | | | 0.75 | | |
| SN6 | | | | 0.795 | | |
| SN7 | | | | 0.78 | | |
| SN8 | | | | 0.837 | | |
| SN9 | | | | 0.759 | | |
| EEx SN | | | | | 1 | |
| EE x BI | | | | | | 1 |

*Source:* Results of data processing using SEM PLS

### 4.2.1 Reliability Testing (Cronbach's Alpha, Composite Reliability)

#### 4.2.1.1 Cronbach's Alpha

Reliability testing can use Cronbach's Alpha. This value reflects the reliability of all indicators in the model. The minimum value is 0.7, while the ideal value is 0.8 or 0.9 (Ghozali, 2016).

Table 6. Cronbach's Alpha Value and Composite Reliability Value

| Construct | Cronbach's alpha | Composite reliability(rho_a) | Composite reliability(rho_c) | Average variance extracted (AVE) |
|---|---|---|---|---|
| B | 0.94 | 0.94 | 0.949 | 0.65 |
| BI | 0.922 | 0.923 | 0.935 | 0.617 |
| SN | 0.927 | 0.928 | 0.938 | 0.605 |

*Source:* Results of data processing using SEM PLS

Based on the table above, the Cronbach's Alpha values for variables B, BI, EE, and SN are above 0.7, indicating that all constructs are reliable.

*4.2.1.1. Composite Reliability*

In the outer model, we recognize Composite Reliability. This value indicates internal consistency; a high composite reliability value indicates the consistency of each indicator in measuring its construct. The expected composite reliability value is >0.7 (Ghozali, 2016). From the table, the Composite Reliability values for variables B, BI, and SN are above 0.7, indicating that all constructs are reliable.

*4.2.2. Convorgen Vadility (Outer Loadings, AVE)*

Based on the table, all variable indicators, Subjective Norms (SN), Behavioral Interest (BI), and Behavior (B) have Outer Loading values > 0.7, indicating good validity for measuring each variable. SN is most strongly influenced by SN8 (0.837) which describes superior support for entrepreneurship. BI is influenced by BI4 (0.813) which shows the role of family, friend, and environmental support in entrepreneurial interest. Variable B is most influenced by B8 (0.827) which describes the ability to

adapt to market changes. All indicators are valid and reliable for research because the Outer Loading values are each above 0.7, reflecting a strong relationship between the indicators and the latent variables. Convergent validity indicates that indicators within a construct must be highly correlated with each other (Ghozali & Latan, 2015). Evaluation is performed using the Average Variance Extracted (AVE) value, which ideally should be ≥ 0.5. This value indicates that the construct is able to explain at least 50% of the variance in its indicators (Sarstedt et al., 2017).

Table 7. Average Variance Extracted (AVE)

| Construct | Cronbach's alpha | Composite reliability (rho_a) | Composite reliability (rho_c) | Average variance extracted (AVE) |
|---|---|---|---|---|
| B | 0.94 | 0.94 | 0.949 | 0.65 |
| BI | 0.922 | 0.923 | 0.935 | 0.617 |
| SN | 0.927 | 0.928 | 0.938 | 0.605 |

*Source: Results of data processing using SEM PLS*

Based on the table above, the AVE values for variables B, BI, and SN are above 0.5, indicating adequate convergent validity and meaning that one latent variable is able to explain more than half of the variation in its indicators on average.

**4.2.3. Discriminant Validity Test**

The cross-loading value of each construct is evaluated to ensure that the correlation of the construct with the measurement item is greater than that of the other constructs. The expected cross-loading value is greater than 0.7 (Ghozali and Latan, 2015).

Table 8. Cross Loading Values

| Construct | B | BI | SN | EE x AB | EE x SN | EE x BI |
|---|---|---|---|---|---|---|
| B1 | **0.806** | 0.343 | 0.25 | -0.033 | -0.141 | -0.207 |
| B10 | **0.794** | 0.349 | 0.288 | -0.09 | -0.216 | -0.239 |
| B2 | **0.775** | 0.333 | 0.235 | -0.035 | -0.132 | -0.159 |
| B3 | **0.794** | 0.338 | 0.262 | -0.088 | -0.186 | -0.221 |
| B4 | **0.783** | 0.314 | 0.287 | -0.038 | -0.148 | -0.193 |
| B5 | **0.823** | 0.394 | 0.334 | -0.078 | -0.182 | -0.231 |
| B6 | **0.811** | 0.381 | 0.295 | -0.039 | -0.17 | -0.188 |
| B7 | **0.824** | 0.376 | 0.28 | -0.032 | -0.138 | -0.216 |
| B8 | **0.827** | 0.323 | 0.272 | -0.061 | -0.184 | -0.198 |
| B9 | **0.825** | 0.322 | 0.288 | -0.068 | -0.169 | -0.242 |
| BI1 | 0.357 | **0.796** | 0.372 | -0.125 | -0.195 | -0.222 |
| BI10 | 0.299 | **0.763** | 0.301 | -0.063 | -0.182 | -0.169 |
| BI2 | 0.323 | **0.766** | 0.367 | -0.143 | -0.229 | -0.185 |
| BI3 | 0.329 | **0.777** | 0.345 | -0.075 | -0.208 | -0.142 |
| BI4 | 0.34 | **0.813** | 0.332 | -0.066 | -0.185 | -0.183 |
| BI6 | 0.364 | **0.777** | 0.359 | -0.046 | -0.181 | -0.158 |
| BI7 | 0.359 | **0.805** | 0.347 | -0.104 | -0.222 | -0.197 |
| BI8 | 0.339 | **0.79** | 0.341 | -0.152 | -0.248 | -0.211 |
| BI9 | 0.335 | **0.78** | 0.301 | -0.108 | -0.209 | -0.168 |
| SN1 | 0.322 | 0.332 | **0.76** | -0.192 | -0.153 | -0.193 |
| SN10 | 0.261 | 0.312 | **0.754** | -0.244 | -0.18 | -0.19 |
| SN2 | 0.248 | 0.311 | **0.778** | -0.181 | -0.155 | -0.181 |
| SN3 | 0.278 | 0.344 | **0.828** | -0.217 | -0.194 | -0.196 |

| | | | | | | |
|---|---|---|---|---|---|---|
| SN4 | 0.266 | 0.327 | **0.726** | -0.192 | -0.134 | -0.213 |
| SN5 | 0.246 | 0.353 | **0.75** | -0.197 | -0.142 | -0.225 |
| SN6 | 0.278 | 0.353 | **0.795** | -0.221 | -0.155 | -0.223 |
| SN7 | 0.246 | 0.337 | **0.78** | -0.236 | -0.201 | -0.248 |
| SN8 | 0.279 | 0.35 | **0.837** | -0.216 | -0.186 | -0.197 |
| SN9 | 0.265 | 0.352 | **0.759** | -0.234 | -0.205 | -0.22 |

*Source:* Results of data processing using SEM PLS

Description:

Discriminant validity testing based on cross-loading values shows that all indicators in variables B, BI, and SN have the highest correlation with their respective original constructs (values > 0.7), compared to other constructs. Indicator AB1 has a cross-loading value of 0.764, which is higher than its correlation with other variables. The same applies to other indicators, such as B1–B10, BI1–BI10, and SN1–SN10. Thus, all items meet the requirements for discriminant validity, indicating that each indicator is able to differentiate its construct from other constructs in the model.

## 4.3. Structural Model Results

### 4.3.1. Determinant Coefficient (R-Square)

The coefficient of determination ($R_2$) is a way to assess how much an endogenous construct can be explained by an exogenous construct. The coefficient of determination ($R_2$) value is expected to be between 0 and 1. $R_2$ values of 0.75, 0.50, and 0.25 indicate that the model is strong, moderate, and weak, respectively (Sarstedt et al., 2017). Chin provides criteria for $R_2$ values of 0.67, 0.33, and 0.19 as strong, moderate, and weak, respectively (Ghozali and Latan, 2015).

Table 9. R-square and Adjusted R Square values

| Construct | R-square | R-square adjusted |
|---|---|---|
| B | 0.468 | 0.452 |
| BI | 0.297 | 0.29 |

*Source:* Results of data processing using SEM PLS

The table above shows that the Adjusted R-Square value for the SN and BI variables relative to B is 45.2%. This indicates that the distribution of variable B can be explained by the SN and BI variables by 45.2%. The remaining 54.8% is explained by other variables not examined in this study. Based on the table, the Adjusted R-Square value for SN relative to BI is 29.0%. This indicates that the distribution of variable BI can be explained by the SN variable by 29.0%. The remaining 71.0% is explained by other variables not examined in this study.

### 4.3.2. Hypothesis Testing

Table 10. Original Sample Values (O) and T Statistics

| No | Construct | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (\|O/STDEV\|) | P values | Information |
|---|---|---|---|---|---|---|---|
| 1 | BI->B | 0.151 | 0.149 | 0.049 | 3.09 | 0.002 | Accepted |
| 2 | SN->B | 0.114 | 0.115 | 0.046 | 2.46 | 0.014 | Accepted |
| 3 | SN->BI | 0.234 | 0.232 | 0.054 | 4.328 | 0 | Accepted |
| 4 | SN -> BI -> B | 0.035 | 0.035 | 0.014 | 2.483 | 0.013 | Accepted |

*Source: Results of data processing using SEM PLS*

Based on Table 10, the equations for Behavioral Intention (BI) and Behavior (B) can be shown as follows: BI = 0.234SN + e and B = 0.151BI + 0.114SN + e. According to Ghozali (2016), if the p-value is below 0.05, Ha is accepted. Conversely, if the p-value is above 0.05, Ha is rejected.

**1.** Based on table 10 above, subjective norms have a positive and significant effect on behavioral interest, indicated by a coefficient of 0.234 (positive) and a t-statistic value of 4.328 > 1.96 and a p-value of 0.000 < 0.05. This means that Subjective Norms have a positive and significant effect on Behavioral Interest, with a coefficient of 0.234. This means that every one-unit increase in Subjective Norms will be followed by an increase of 0.234 units in Behavioral Interest. The t-statistic value of

4.328 is greater than 1.96, which indicates that this result is significant and does not occur by chance, thus proving a strong relationship between Subjective Norms and Behavioral Interest. In addition, the p-value obtained of 0.000 is much smaller than 0.05, which further strengthens the conclusion that Subjective Norms have a significant effect on Behavioral Interest. Thus, these findings indicate that Subjective Norms, as a social and normative factor, can influence an individual's interest in performing a behavior, meaning that social pressure or expectations play an important role in shaping a person's behavioral interest. Thus, Hypothesis 1 is accepted.

2. Based on table 10 above, subjective norms have a positive and significant effect on behavior, indicated by a coefficient of 0.114 (positive) and a t-statistic value of 2.460 > 1.96 and a p-value of 0.014 < 0.05. This means that Subjective Norms have a positive and significant effect on Behavior, with a coefficient of 0.114. This means that every one-unit increase in Subjective Norms will be followed by a 0.114-unit increase in Behavior. The t-statistic value of 2.460 is greater than 1.96, which indicates that this effect is statistically significant, so it can be confirmed that Subjective Norms have a strong and real relationship with Behavior. The p-value obtained of 0.014, which is smaller than 0.05, further strengthens the conclusion that the influence of Subjective Norms on Behavior does not occur by chance. This finding shows that social factors, such as norms and expectations that exist in society, can influence individual behavior. In other words, individuals tend to adapt their behavior to the prevailing norms around them, which in turn can encourage them to behave in accordance with existing social expectations. Thus, Hypothesis 2 is accepted.

3. Based on Table 10 above, it shows that behavioral interest has a positive and partially significant influence on behavior with a coefficient of 0.151. This indicates that the higher a person's entrepreneurial interest, the more likely they are to actually carry out the behavior. The t-statistic value of 4.920, which exceeds the critical limit of 1.96, and the p-value of 0.002, which is below the 0.05 significance level, strengthens the statistical validity of this relationship. Thus, it can be concluded that behavioral interest plays an important role as a driving factor influencing the realization of entrepreneurial actions in the Medan City community. Thus, Hypothesis 3 is accepted.

4. Based on Table 10 above, it shows that behavioral interest is proven to be able to mediate the influence of subjective norms on Behavior, as indicated by the t-statistic value of 2.483 which is greater than 1.96, and the p-value of 0.013 which is smaller than 0.05. These results indicate that the influence of SN on B does not only occur directly, but also indirectly through BI. This means that the pressure or social expectations felt by individuals (subjective norms) can increase their interest in entrepreneurship, which then encourages the formation of actual behavior. This finding supports the important role of social norms in shaping interest, which ultimately leads individuals to behave in accordance with these social expectations. Thus, Hypothesis 4 is accepted.

**4.3.3. Effect Size (F-Square)**

In addition to assessing whether there is a significant relationship between variables, a researcher should also assess the magnitude of the influence between variables using the Effect Size or F-square (Wong, 2013). An F-square value of 0.02 is considered small, 0.15 is considered medium, and 0.35 is considered large. Values below 0.02 can be ignored or considered to have no effect (Sarstedt et al., 2017).

Table 11. F-Square Value

| Construct | F-Square |
|---|---|
| Bi -> B | 0.028 |
| Sn -> B | 0.015 |
| Sn -> Bi | 0.053 |

*Source:* Results of data processing using SEM PLS

Based on the table, the influence of behavioral intention (BI) on behavior (B) has a moderate level of 0.028. The influence of subjective norm (SN) on behavior (B) has a small level of 0.015. The influence of subjective norm (SN) on behavioral intention (BI) has a moderate level of 0.053.

**4.3.4. Direct Effects and Indirect Effects**

In PLS SEM analysis, the direct effects value is also often called the path coefficient. Measuring path

coefficients between constructs is used to determine the significance and strength of the relationship and also to test hypotheses. Path coefficient values range from -1 to +1. The closer the path coefficient value is to +1, the stronger the relationship between the two constructs. A relationship closer to -1 indicates a negative relationship (Sarstedt et al., 2017). The results of the Path Coefficient Direct Effects are shown in the following table:

Table 12. Path Coefficient Direct Effects

| Construct | SN | BI | B |
|---|---|---|---|
| SN > BI | | 0,234 | |
| SN > B | | | 0,114 |
| BI > B | | | 0,151 |
| SN => BI => B | | | 0,035 |

*Source: Results of data processing using SEM PLS*

Based on the table above, the direct effects are :

1. The direct effect of subjective norms (SN) on behavioral intention (BI) is positive at 0.234, meaning that if subjective norms increase by one unit, behavioral intention can increase by 23.4%.
2. The direct effect of subjective norms (SN) on behavior (B) is positive at 0.114, meaning that if subjective norms increase by one unit, behavior can increase by 11.4%.
3. The direct effect of behavioral intention (BI) on behavior (B) is positive at 0.151, meaning that if behavioral intention increases by one unit, behavior can increase by 15.1%.
4. The indirect effect of subjective norms (SN) on behavior (B) through behavioral intention (BI) is positive at 0.035, meaning that if subjective norms increase by one unit, behavior can increase indirectly through behavioral intention by 3.5%.

## 5. Discussion

The research results and analysis show that subjective norms have a positive and significant influence on entrepreneurial behavior. Subjective norms refer to an individual's perception of social expectations and pressures originating from their immediate social environment, such as family, peers, and important reference groups. In the context of entrepreneurship, this means that encouragement from those around them can be a determining factor in whether someone feels worthy and worthy of starting a business. Rahman et al. (2024) further strengthen this argument by stating that subjective norms are rooted in active social networks and have a significant influence on consumption patterns and loyalty to a product or value.

Furthermore, the research also shows that subjective norms have a positive and significant influence on entrepreneurial behavior. In the world of entrepreneurship, subjective norms refer to an individual's perception of social expectations from their immediate environment, particularly from those closest to them, such as family, friends, coworkers, or business mentors. These social expectations influence whether an individual feels supported or pressured in making the decision to start or continue a business. Social pressure from the surrounding environment plays a significant role in shaping intentions and behavior, including in the context of entrepreneurial decision-making (Ajzen, 2020).

The research results show that behavioral interest has a positive and significant influence on entrepreneurial behavior. In the context of entrepreneurship, behavioral interest reflects an individual's intention and readiness to start and run a business. Kotler and Keller (2022) describe behavior as a series of decisions and actions, which in entrepreneurship can include business selection, marketing strategies, and operational management. Furthermore, Solomon, Marshall, and Stuart (2021) view behavior as a response to stimuli, which in the business world can be market opportunities, competition, or technological innovation. Ghimire (2024) adds that this process involves rational and emotional considerations, such as self-confidence or anxiety in the face of uncertainty. Therefore, entrepreneurial interest is a key element in understanding and predicting entrepreneurial behavior.

Furthermore, the indirect variables show that behavioral interest positively and significantly mediates the influence of subjective norms on entrepreneurial behavior. In entrepreneurship, subjective

norms play a crucial role in shaping an individual's intention and behavior to start a business. In this context, someone who feels supported or expected by those closest to them, such as family, friends, or mentors, is more likely to have a strong intention to become an entrepreneur. KC et al. (2025) added that individuals tend to adapt their behavior to gain social acceptance. Therefore, in the business world, aspiring entrepreneurs will strive to align their business operations with social expectations to be perceived as relevant and accepted.

In this context, entrepreneurial interest plays a crucial mediator, bridging the influence of social norms on actual entrepreneurial action. Schiffman and Kanuk (2021) state that interest is influenced by an individual's perception of risk and attitude toward opportunities, which in entrepreneurship is closely related to readiness to face uncertainty. Kotler and Armstrong (2022) describe interest as the readiness to act based on a personal evaluation of a business opportunity. Meanwhile, Bagozzi et al. (2019) highlighted the importance of internal motivation, attitudes toward entrepreneurship, and social influence in forming strong intentions that can drive entrepreneurial action.

Thus, entrepreneurial interest becomes a crucial mediator between social pressure and actual entrepreneurial behavior. This is in line with the findings of Simanihuruk et al. (2025) that subjective norms do not directly influence entrepreneurial behavior, but rather through the mediating role of entrepreneurial intention or interest. Therefore, entrepreneurial intention plays a crucial role in bridging the influence of social norms on actual action.

## 6. Conclusion

This study applies the Theory of Planned Behavior to examine entrepreneurial behavior in the Medan City community, with a particular focus on the mediating role of entrepreneurial interest. Using PLS-SEM analysis, the findings demonstrate that subjective norms significantly influence entrepreneurial interest, which in turn drives entrepreneurial behavior. Entrepreneurial interest is confirmed as a key mediating mechanism through which social influences are transformed into actual entrepreneurial actions.

From a theoretical perspective, this study extends the application of the Theory of Planned Behavior to the context of community-level entrepreneurship, highlighting the importance of entrepreneurial interest as an explanatory bridge between social norms and behavior. The results provide empirical support for the argument that entrepreneurial behavior is not shaped by social pressure alone, but by individuals' internalized interest and motivation.

Practically, the findings suggest that entrepreneurship promotion policies and community development programs should focus on building supportive social environments while simultaneously fostering entrepreneurial interest through education, mentoring, and exposure to successful entrepreneurial role models. Such an integrated approach may enhance the effectiveness of initiatives aimed at encouraging sustainable entrepreneurial activity.

Despite its contributions, this study has several limitations. The data are cross-sectional and limited to one urban area, which may restrict generalizability. Future research could employ longitudinal designs, incorporate additional TPB constructs such as perceived behavioral control, or conduct comparative studies across different regions. These extensions would further enrich understanding of entrepreneurial behavior in diverse socio-economic contexts.

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